

Paul A. Colbert
Associate General Counsel
Regulatory Affairs



September 16, 2016

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

RE: *Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers, Case 14-M-0565*

Dear Secretary Burgess,

Central Hudson Gas & Electric Corporation ("Central Hudson") hereby submits its Plan to Implement the New York State Public Service Commission's ("Commission") Low Income Policies in Case 14-M-0565 pursuant to the Commission's Order Adopting Low Income Program Modifications and Directing Utility Filings, issued and effective May 20, 2016 in the above captioned proceeding.

Questions related to this filing should be directed to Linda Harrison at 845-486-5623 or lharrison@cenhud.com

Respectfully submitted,

A handwritten signature in blue ink that reads "Paul A. Colbert".

Paul A. Colbert
Associate General Counsel
Regulatory Affairs

284 South Avenue
Poughkeepsie, NY 12601

(845) 452-2000
Phone: (845) 486-5831 Cell: (614) 296-4779
Email: pcolbert@cenhud.com
www.CentralHudson.com

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Proceeding on Motion of the Commission to :
Examine Programs to Address Energy : Case 14-M-0565
Affordability for Low Income Utility Customers. :

**CENTRAL HUDSON GAS & ELECTRIC CORPORATION'S PLAN TO IMPLEMENT
THE NEW YORK STATE PUBLIC SERVICE COMMISSION'S LOW INCOME
POLICIES**

Paul A. Colbert
Associate General Counsel-Regulatory Affairs
Central Hudson Gas & Electric Corporation
284 South Avenue
Poughkeepsie, New York 12601
Tel: (845) 486-5831
Email: pcolbert@cenhud.com

September 16, 2016

INTRODUCTION

Central Hudson Gas & Electric Corporation (“Central Hudson”) submits the following implementation plan in compliance with the New York State Public Service Commission’s (“Commission”) Order issued and effective May 20, 2016 (“Order”) . Central Hudson is committed to providing a Low Income Program that meets the needs of all our customers. Substantial resources are required to build the systems necessary to provide the benefits outlined in the Order. In addition, Central Hudson requires state agencies’ assistance and cooperation so that Central Hudson may obtain the information necessary to provide low-income program benefits to an expanded low-income population beyond the population currently eligible to receive benefits.

Central Hudson now offers two low-income programs to our customers: the Enhanced Powerful Opportunity Program (“EPOP”) and the Low Income Bill Discount Program. The EPOP Program has been offered to Central Hudson’s customers since 2007 and the Low Income Bill Discount Program since 2009. In compliance with the Order, Central Hudson will begin to phase out elements of its existing programs and begin to build new programs. Central Hudson’s implementation plan, as described below, will begin to phase in some of the new elements prescribed by the Order this year and complete implementation by the end of 2018.

The Order aims to standardize utility low-income programs statewide to reflect best practices that provide effective low-income programs to serve all low-income households. The policies set forth in the Order set an energy burden target for low-income customers at or below six percent of household income. The following charts summarize Central Hudson’s current programs, the new programs, the customers they serve and the costs. Our existing low income programs serve a customer base of approximately 8,600, while the new programs set forth in the Order and described below may serve up to 25,000 customers. It may take some time to identify the potential eligible customer base for the new programs that will result from the Order. The potential eligible low-income customer forecast included in this plan is based on the best information currently available to Central Hudson regarding low-income customers in our service territory.

Low Income Customers Served	Rate Year Ending 6/30/16 - Actual	Rate Year Ending 6/30/17 - Forecasted	Rate Year Ending 6/30/18 - Forecasted
EPOP	973	996	210
Current Low Income Bill Discount	8,548		
New Low Income Bill Discount		8,573	16,172
Reconnection Fee Waiver	1,218	1,218	2,436

Low Income Program Costs	Rate Year Ending 6/30/16 - Actual	Rate Year Ending 6/30/17 - Forecasted	Rate Year Ending 6/30/18 - Forecasted
EPOP	\$2,054,822	\$2,059,641	\$1,237,341
Current Low Income Bill Discount	\$1,889,063		
New Low Income Bill Discount		\$3,269,291(a)	\$7,752,690
Reconnection Fee Waiver	\$ 25,569	\$ 25,569	\$ 51,138
Total Costs	\$3,969,454	\$5,354,501	\$9,041,169

(a) Includes cost for Current Low Income Bill Discount program from 7/2016-11/2016.

IMPLEMENTATION PLAN

I. Enhanced Powerful Opportunity Program

Central Hudson will continue to offer the EPOP Program to low-income customers until the end of the upcoming 2016-17 Home Energy Assistance Program (“HEAP”) Season. Customers who have been accepted into EPOP as of April 15, 2017 will continue to receive the program benefits until they either graduate or are removed from the program up to 36 months later. Therefore, on or about April 15, 2020 there will no longer be any customers enrolled in EPOP. EPOP benefits continue for low-income customers enrolled as of April 15, 2017 and include a discounted budget bill, arrears forgiveness and an incentive award credit as approved in prior Commission proceedings. During this time, EPOP customers, as they have in the past, will continue to qualify for Central Hudson’s Low Income Bill Discount Program and the waiver of a reconnection fee, if applicable. The deferral mechanism associated with EPOP will continue pursuant to the Commission Order Approving Rate Plan dated June 17, 2015 in Cases 14-E-0318 and 14-G-0319 (“2015 Rate Order”) until the conclusion of the program on or about April 15, 2020 or until changed or modified in any other proceeding by the Commission. The forecasted costs for continuation of EPOP through this time period are outlined in the attached Exhibit #1. The forecasted costs for the Rate Year

Ending June 30, 2017 are \$2,059,641 and for the rate year ending June 30, 2018 are \$1,237,341, compared to rate allowances for those periods of \$2,486,500 and \$2,586,500, respectively.

II. Current Low Income Bill Discount Program

Central Hudson’s current Low Income Bill Discount Program is provided to low-income customers who receive assistance through HEAP for their Central Hudson electric and/or gas services. Customers enrolled in this program receive bill discounts for 12 months. The monthly bill discount credits provided to customers enrolled in this program are as follows:

Service Type	Electric Only	Gas Only	Both Electric & Gas
Heating	\$17.50	\$17.50	\$23.00
Non-Heating	\$ 5.50	\$ 5.50	\$11.00

Customers who are enrolled in this program may receive a waiver of the reconnection charge, if eligible. Central Hudson will continue to utilize the deferral mechanism associated with the current Low Income Bill Discount Program. These credits will cease either upon completion of 12 months in the Low Income Bill Discount Program or when they meet the eligibility requirements (receipt of a 2016-2017 HEAP Grant) for the New Low Income Bill Discount Program. During the recently concluded Rate Year ended June 30, 2016, a monthly average of 8,326 customers received a monthly Low Income Bill Discount at a total cost of \$1,889,063. The current Low Income Bill Discount Program will be replaced this year with the New Low Income Bill Discount Program described below.

III. New Low Income Bill Discount Program

Central Hudson will replace the current Low Income Bill Discount Program with the New Low Income Bill Discount Program outlined in the Order. The New Low Income Bill Discount Program is designed to provide low-income customers with a bill discount that will limit their energy burden to six percent or less of their household income. Low-income customers receiving HEAP assistance for their Central Hudson electric and/or gas services, or other fuel services, will be eligible and enrolled into this new program. When fully implemented by Central Hudson, this new program will

include the following components: monthly low income bill discounts, automatic enrollment in Budget Billing with an opt-out option and reconnection fee waivers. The Company plans to review and analyze whether the low income program for HEAP recipients will include an arrears forgiveness component.

A. Low Income Bill Discount

The low income monthly bill discount credits that Central Hudson will provide to customers under the new program when fully developed are as follows:

Income Level	Electric Heating	Electric Non-Heat	Gas Heating	Gas Non-Heat
Tier 1	\$23	\$23	\$34	\$3
Tier 2	\$39	\$39	\$50	\$3
Tier 3	\$72	\$56	\$67	\$3
Tier 4	\$ 0	\$ 0	\$ 0	\$0

These bill discounts were approved in the Order. Central Hudson’s billing system does not currently have the capability to provide bill discounts to low-income customers based on the tiered income levels as set forth in the Order. Therefore, Central Hudson proposes to phase in the new discount amounts over the next year. Central Hudson will provide the new bill discount at the Tier 1 level to all eligible customers beginning this HEAP season on or about November 15, 2016. During the next year, Central Hudson will make system changes to allow us to identify those customers receiving a HEAP benefit for Central Hudson electric or gas service by their respective tiered income level as outlined in the chart. These changes are expected to be completed on or about November 15, 2017— next year’s HEAP season—after which Central Hudson will provide bill discounts to eligible customers by Tier. As part of this implementation plan, Central Hudson submits draft Tariff Leafs describing our phased in approach that will be effective November 15, 2016 as set forth in the attached Exhibit #2. Central Hudson will automatically enroll customers into the new program when a HEAP benefit is received on their account.

Central Hudson is currently working with the Office of Temporary and Disability Assistance (“OTDA”) so that OTDA may provide data to Central Hudson to identify customers who are receiving HEAP benefits for other fuel types so that Central Hudson can enroll those customers into the New Low Income Bill Discount Program. OTDA has indicated that a file transfer for the purposes of the HEAP Performance Measure Project

is expected in October of this year. Once Central Hudson has received this file, we will begin to analyze how Central Hudson may modify our information systems to use the data to implement the New Low Income Bill Discount Program and enroll identified low-income customers into the New Low Income Bill Discount Program. Central Hudson looks forward to serving this population of customers and will provide the Commission with an implementation timeline as soon as practical. Barring encountering any unforeseen challenges, Central Hudson will begin automatic enrollment of low-income customers on or about November 15, 2017..

Central Hudson recognizes that the low-income customer population is important. Central Hudson will, therefore, offer low-income customers the ability to self-identify into the New Low Income Bill Discount Program this HEAP season on or about November 15, 2016. Self-identification requires a manual process where the customer must provide Central Hudson with documentation that indicates they are receiving a HEAP benefit for a fuel type other than gas or electric. Once Central Hudson receives the documentation, self-identifying low-income customers will be enrolled and begin to receive the Low Income Bill Discount benefit for 12 months in the appropriate category in Tier 1. Additionally, Central Hudson will begin to explore the possibility of sharing information between utilities with common low-income customers.

Central Hudson will utilize the existing deferral mechanism to defer costs associated with the Old and New Low Income Bill Discount Programs as is currently set forth. The forecasted costs associated with these programs through the end of the Rate Year Ending June 30, 2018 are shown on the attached Exhibit #1. The forecasted costs for the Rate Year Ending June 30, 2017 are \$3,269,291 and for the Rate year Ending June 30, 2018 are \$7,752,690.

B. Budget Billing

Central Hudson will begin to automatically enroll low-income customers into Budget Billing once they become eligible for the New Low Income Bill Discount Program beginning on or about November 15, 2017. Under our outreach and education communication plan further discussed in Section V, eligible low-income customers will receive a letter notifying them that they have been automatically enrolled in budget billing contemporaneous with their enrollment in the New Low Income Bill Discount

Program. Low-income customers will receive opt-out instructions so they may decide whether to remain in budget billing. Low-income customers will have the ability to opt-out by speaking with a Customer Service Representative, using our automated phone system, sending an email, through the mobile app or through Central Hudson's website. We are also investigating the use of text messaging. In addition, an outbound call campaign will also provide the same notification. As part of this filing, Central Hudson has also provided a detailed description of its budget billing plan and a description of Central Hudson's bill estimating methodology when less than 12 months of billing data are available. The budget billing plan and bill estimating methodology are set forth in the attached Exhibit #3. Central Hudson as part of this implementation plan submits the draft tariff leaf for levelized payment billing in Exhibit #4.

C. Reconnection Fee Waiver

Central Hudson currently offers a Reconnection Fee Waiver for low-income customers. This program allows for a one time waiver of the reconnection fee for low-income customers in a twelve month period. Low-income customers are defined as those customers receiving a HEAP benefit for their electric and/or gas service. The approved funding set forth in the 2015 Rate Order was \$30,000. Central Hudson provided 1,218 waivers for the Rate Year Ending June 30, 2016 at a cost of \$25,569. Central Hudson will continue to offer this Reconnection Fee Waiver program under the New Low Income Bill Discount Program. Effective on or about November 15, 2016, Central Hudson will offer the Reconnection Fee Waiver Program to all customers who we have enrolled in the New Low Income Bill Discount Program. The forecasted costs for this program are set forth on the attached Exhibit #1. The forecasted costs for the Rate Year Ending June 30, 2017 are \$25,569 and for the Rate Year Ending June 30, 2018 are \$51,138. The increased costs resulting from the additional enrollments in the New Low Income Bill Discount Program will follow the existing deferral mechanism in accord with Central Hudson's current rate agreement.

D. Arrears Forgiveness

Central Hudson currently offers an arrears forgiveness program as part of its existing EPOP Program. While arrearage forgiveness has been one of the factors enabling customers who have completed the EPOP program to become a customer in

good standing, it serves a small customer base, with an average of 996 customers in the arrears forgiveness program during the Rate Year Ended June 30, 2016. Central Hudson will further evaluate possible designs for an arrears forgiveness program under the New Low Income Bill Discount Program. The New Low Income Bill Discount Program will be serving a much larger customer base than it does today and the potential arrears for this customer population will need to be evaluated along with their ability to pay. Once Central Hudson identifies possible program designs, Central Hudson may quantify and review the potential program costs and evaluate potential program effectiveness. Central Hudson will recommend on or before November 15, 2018 whether an arrears forgiveness program should be offered to the low income customers enrolled in the New Low Income Bill Discount Program.

IV. Coordination With Other Programs

Central Hudson will continue to work with the Department of Public Service Staff (“Staff”) and coordinate the development and implementation of any new programs that can benefit low-income customers. Central Hudson agrees that adequate access to energy services is essential for low-income customers.

The platform implemented as part of the Central Hudson Reforming the Energy Vision (“REV”) demonstration project, CenHub, provides a mechanism to reach low-income customers. Like all residential customers, low-income account holders who sign in to CenHub have access to energy saving tips through CenHub Insights and rebates on energy efficient products through the CenHub Store. During the third and fourth quarters of 2016, the Central Hudson website will be enhanced with new pages focused on energy efficiency and demand response education, specifically explaining each of the programs Central Hudson offers, how to participate and who the customer can call for sales, service or assistance. Central Hudson views the web experience as a means to effectively deliver personalized information and encourage customer participation, including low-income customer participation. Future website design workshops will include the evaluation of low-income customer participation.

As Central Hudson explores the expansion of existing, and development of new, CenHub partnerships, Central Hudson will evaluate partnerships that provide an

opportunity to benefit low-income customers. At this point no new partnerships have been identified, however, partnership development will be a focus in 2017.

Central Hudson currently refers EPOP customers to the NYSEERDA Empower New York Program. Central Hudson's experience with the NYSEERDA Empower New York Program over the past two Rate Years shows that only 12 percent of those customers referred to NYSEERDA are served through the program. The low participation level concerns Central Hudson because the NYSEERDA Empower New York Program services can reduce the energy burden to low-income customers. Central Hudson believes that better education for low-income customers or their landlords, may improve customer participation in this type of program offering. To that end, Central Hudson will work with NYSEERDA to develop a referral service for low-income customers who Central Hudson will identify through the New Low Income Bill Discount Program. Central Hudson will prioritize referrals to NYSEERDA. A plan for referral to NYSEERDA and customer/landlord education for this program will be developed and provided on or about November 15, 2017.

V. Outreach and Education Plan

Central Hudson will roll out a communication plan to New Low Income Bill Discount Program customers to inform them of the phase out of the EPOP Program. This communication plan will include the following:

- EPOP Letters updated to include language describing the change in program – update of letters by October 2016.
- Customer Service Representatives will begin to have discussions with existing EPOP customers in October 2016.
- Customer Service Representatives scheduled at our DSS Office will communicate these changes with customers and assist them to use the CenHub website beginning in October 2016.
- Press Release issued and a featured article in our EnergyCentral monthly newsletter to elected officials in November 2016.
- Mail communication in November 2016 to approximately 150 key organizations within our service territory.

- HEAP Communication in January 2017 will include information regarding low-income program changes. This communication goes to Community Service Providers, New York State Department of Labor, Career Centers and Elected Officials.
- Website updated October 2016 and Social Media will be utilized to communicate beginning in October 2016.
- Update Bill message in November 2016.
- Radio Commercials in November 2016.
- Pamphlets/Brochures will be updated to include new program content in both English and Spanish. These new pamphlets/brochures will be provided to local agencies November 2016.
- Senior Times will include information in the Fall 2016 edition.

VI. Estimate of Cost Allocation

In response to Ordering Clause 2 in the Order, the Company provides the following information on an estimate of cost allocation among classes that result from these changes. The cost of service studies prepared and filed by Central Hudson in Cases 14-E-0318 and 14-G-0319, and utilized as a guide in developing the rates authorized by the Commission in its 2015 Rate Order, allocated the costs associated with Central Hudson's low-income programs across residential customers, classifying such costs as customer-related for inclusion in the customer charge.

Utilizing this allocation, the increase in costs authorized in Case 14-M-0565 will have the following impacts, as presented on Exhibit #5:

- The average annual cost per electric residential customer will increase by \$1.86 to \$13.48 for the twelve months ending June 30, 2017, and by \$11.48 to \$23.41 for the twelve months ending June 30, 2018.
- The average annual cost per gas residential customer will increase by \$7.80 to \$27.35 for the twelve months ending June 30, 2017, and by \$23.47 to \$42.91 for the twelve months ending June 30, 2018.

VII. Reporting

Central Hudson proposes to provide the data set forth in Appendix D of the Order according to the table below. Please note the Budget Billing Participants data, items 17a and 17b will be included in Central Hudson's fourth quarter 2018 Low Income Report.

Item	2016:Q4 Low Income Report	2017:Q4 Low Income Report
Rate discount participants	1a.1b.1f.1g.	1a. – 1g.
Arrears forgiveness participants	EPOP Program Only	EPOP Program Only
Energy efficiency program	EPOP Program Only/Other if available	EPOP Program Only/Other if available
Reconnection Fee participants	3.	3.
Rate Discounts-Amount	5a. & 5b.	5a. & 5b.
Arrears forgiveness-Amount	EPOP Program Only	EPOP Program Only
Reconnection Fee-Amount	7a. & 7b.	7a. & 7b.
Average bill	8. & 9.	8. & 9.
Total Over/Under Collection	10a. & 10b.	10a. & 10b.
Participant Data		11. – 16.

SUMMARY

Central Hudson will phase in the New Low Income Bill Discount Program components outlined above in the latter part of 2016. The estimated costs of the EPOP Program, Low Income Bill Discount Programs and the Reconnection Fee Waiver Program are \$5.3M for the Rate Year ending June 30, 2017 and \$9M for the Rate Year Ending June 30, 2018. The number of low-income customers forecasted to be served under the New Low Income Bill Discount Program as of the Rate Year Ending June 30, 2018 is 16,172 while the Order projected 25,000 low-income customers would be served. Central Hudson will continue efforts to improve methods to identify all low-income customers in our service territory so that it can assist all eligible low income customers.

The current rate allowance for Central Hudson's Low Income Programs is \$4.3M for the Rate Year Ending June 30, 2017 and \$4.4M for the Rate Year Ending June 30, 2018. Central Hudson will defer the actual under-collection, projected to be \$1M for the Rate Year Ending June 30, 2017 and \$4.6M for the Rate Year Ending June 30, 2018 in accordance with the deferral mechanism approved for the current Low Income Programs in the 2015 Rate Order. Future program costs may increase with improvements in low-income customer identification techniques, the possible introduction of a new Arrears Forgiveness Program and other potential program

enhancements that may be developed to assist low-income customers to reduce their energy burden. The Order established an annual funding limit of \$19.8M which represented 2% of the 2014 total electric and gas revenues for sales to end-use customers. Central Hudson's estimated program costs are below the limit set by the Commission. Central Hudson will consider the Commission's limit as it develops future program enhancements. Central Hudson will include incremental program costs in its next rate filing and the cost allocation among customer classes will be in accordance with our current approved rate design until revisited in a subsequent filing.

Central Hudson will continue to work towards full implementation of the Order and will update the Commission as it implements various low-income program components.

CONCLUSION

Central Hudson appreciates the opportunity to present its Plan to Implement the Commission's Low-Income Policies. Please contact us if you have questions.

Respectfully submitted,



Paul A. Colbert
Attorney for Central Hudson Gas & Electric Corporation
284 South Avenue
Poughkeepsie, NY 12601
Telephone: (845) 486-5831
pcolbert@cenhud.com

Dated: September 16, 2016

Summary of Low Income Program Costs - Forecast Case 14-M-0565

	Rate Year Ending 6/30/2017			Rate Year Ending 6/30/2018		
	Electric	Gas	Total	Electric	Gas	Total
EPOP Program Costs						
Budget Bill Credit	\$1,032,845	\$175,405	\$1,208,250	\$591,604	\$100,470	\$692,075
Arrears Forgiveness Credit	\$532,990	\$96,352	\$629,342	\$305,292	\$55,190	\$360,482
Incentive Reward Credit	\$74,605	\$12,622	\$87,227	\$42,733	\$7,230	\$49,963
Outreach	\$29,497	\$7,375	\$36,872	\$29,497	\$7,375	\$36,872
Labor	\$57,655	\$14,419	\$72,074	\$57,655	\$14,419	\$72,074
Administrative	\$20,703	\$5,173	\$25,876	\$20,703	\$5,173	\$25,876
Total EPOP Costs	\$1,748,295	\$311,346	\$2,059,641	\$1,047,485	\$189,857	\$1,237,341
EPOP Rate Allowance	\$2,113,500	\$373,000	\$2,486,500	\$2,198,500	\$388,000	\$2,586,500
Deferral (Over)/Under Collection	(\$365,205)	(\$61,654)	(\$426,859)	(\$1,151,015)	(\$198,143)	(\$1,349,159)
Low Income Bill Discount Program Costs						
Old Program Ending on or about 11/15/16	\$351,272	\$418,144	\$769,416	\$0	\$0	\$0
New Program Beginning on or about 11/15/16	\$1,333,448	\$1,166,427	\$2,499,875	\$4,919,771	\$2,832,920	\$7,752,690
Total Low Income Bill Discount Program	\$1,684,720	\$1,584,571	\$3,269,291	\$4,919,771	\$2,832,920	\$7,752,690
Low Income Bill Discount Rate Allowance	\$839,000	\$980,000	\$1,819,000	\$839,000	\$980,000	\$1,819,000
Deferral (Over)/Under Collection	\$845,720	\$604,571	\$1,450,291	\$4,080,771	\$1,852,920	\$5,933,690
Reconnection Fee Waiver	\$20,197	\$5,372	\$25,569	\$40,394	\$10,744	\$51,138
Reconnection Fee Waiver Rate Allowance	\$24,000	\$6,000	\$30,000	\$24,000	\$6,000	\$30,000
Deferral (Over)/Under Collection	(\$3,803)	(\$628)	(\$4,431)	\$16,394	\$4,744	\$21,138
Summary of Low Income Deferred Balances						
	Balance	Deferrals	Balance	Deferrals	Balance	
	6/30/2016	7/1/2016 -	6/30/2017	7/1/2017 -	6/30/2018	
		6/30/2017		6/30/2018		
Deferred EPOP Costs						
Electric	(\$60,122)	(\$365,205)	(\$425,327)	(\$1,151,015)	(\$1,576,342)	
Gas	(\$586,084)	(\$61,654)	(\$647,738)	(\$198,143)	(\$845,881)	
Total	(\$646,206)	(\$426,859)	(\$1,073,065)	(\$1,349,159)	(\$2,422,224)	
Deferred Low Income Bill Discount						
Electric	(\$1,744,866)	\$845,720	(\$899,146)	\$4,080,771	\$3,181,625	
Gas	\$1,059,310	\$604,571	\$1,663,881	\$1,852,920	\$3,516,800	
Total	(\$685,556)	\$1,450,291	\$764,735	\$5,933,690	\$6,698,425	
Deferred Reconnection Fee Waiver						
Electric	(\$3,803)	(\$3,803)	(\$7,606)	\$16,394	\$8,788	
Gas	(\$628)	(\$628)	(\$1,256)	\$4,744	\$3,488	
Total	(\$4,431)	(\$4,431)	(\$8,862)	\$21,138	\$12,276	
Net Deferred Balances						
Electric	(\$1,808,791)	\$476,712	(\$1,332,079)	\$2,946,149	\$1,614,070	
Gas	\$472,598	\$542,289	\$1,014,887	\$1,659,520	\$2,674,407	
Total	(\$1,336,193)	\$1,019,001	(\$317,193)	\$4,605,670	\$4,288,477	

PSC NO: 15 ELECTRICITY
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 11/15/16

LEAF: 163.4
REVISION: 5
SUPERSEDING REVISION: 4

36. OTHER CHARGES AND ADJUSTMENTS (Cont'd)

B. Electric Bill Credit (Cont'd)

The EBC so determined shall be applied as a per kWh or kW credit, as applicable, to the energy (kWh) or demand (kW) deliveries on the bills of all customers served under Service Classification Nos. 1, 2, 3, 5, 6, 8, 9, 13 and 14. Customers taking service under Service Classification No. 14 will receive the credit applicable to their Parent Service Classification. Parent Service Classification shall mean the Service Classification that the customer would otherwise qualify for based on the customer's usage characteristics.

The EBC will be stated in whole \$0.00001 amounts per kilowatthour and whole \$0.01 amounts per kilowatt. Not less than fifteen days prior to a proposed change in the EBC, a Statement showing the factors and the effective date will be filed with the Public Service Commission apart from this Schedule.

For a customer taking service under Service Classification Nos. 3 or 13: if the amount of the EBC in any given billing period exceeds the customer's billed delivery charges from Central Hudson for the billing period, resulting in a net bill less than zero (0), Central Hudson will issue the customer a bill in the amount of zero (0) dollars; or, (2) if the customer's billed delivery charges for any given billing period prior to the application of any EBC are less than zero (0), no EBC will be applied in the billing period. Any EBC not received by the customer due to operation of the above constraints will be reallocated to that customer in the subsequent billing period. In any such reallocation, the aforementioned constraints will continue to be applicable and may entail reallocation to subsequent billing periods. These EBC constraints will be applied prior to the existing constraints for the Purchased Power Adjustment, as described in General Information, Section 29.

C. Not in Use.

D. HEAP Bill Credit Program/Low Income Bill Discount Program

Each residential customer who received a HEAP benefit for their Central Hudson bill during the 2012/2013 HEAP Plan Year will receive a credit each month applied to their Central Hudson account. A HEAP credit will continue for 12 consecutive months, or until the customer becomes eligible for the Low Income Bill Discount Program. Pursuant to the Order in Case 12-M-0192 issued and effective June 26, 2013, bill credit levels for eligible single and dual service HEAP program participants shall apply as follows. The monthly credit for electric only heating customers shall be \$17.50 per month. The monthly credit for electric only non-heating customers shall be \$5.50 per month. For customers taking both electric and gas service from the Company, the monthly credits shall be \$23.00 and \$11.00 for heating and non-heating customers respectively. To avoid any immediate reduction in benefits, any single service non-heating customer currently enrolled in HEAP for the 2012/2013 HEAP Plan Year will continue to receive the previously established bill credit of \$11.00 per month for a total of twelve consecutive months or until the customer renews their HEAP benefit for the succeeding Plan Year, whichever is less. If a single service non-heating customer renews their HEAP benefit for succeeding Plan Years, the customer will continue to receive a bill credit, as established above, of \$11.00 per month as long as the customer's HEAP eligibility is renewed in a month succeeding a month in which the customer received the \$11.00 bill credit, such that the customer receives the bill credit continuously without interruption. A single service non-heating customer receiving a bill credit of \$11.00 per month as established above, who does not timely apply for a HEAP benefit, such that they do not receive the bill credit for one calendar month or more, and who subsequently receives a HEAP benefit will receive a bill credit of \$5.50 per month as established above.

PSC NO: 15 ELECTRICITY
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 11/15/16

LEAF: 163.5
REVISION: 11
SUPERSEDING REVISION: 10

36. OTHER CHARGES AND ADJUSTMENTS (Cont'd)

D. HEAP Bill Credit Program/Low Income Bill Discount Program (Cont'd)

Low Income Bill Discount Program

Eligibility and enrollment into this program will be applicable to low income customers receiving HEAP assistance for either their Central Hudson electric and/or gas service or other fuel types. The low income bill discount credits that will be provided to customers under this program are as follows:

Income Level	Electric Heating	Electric Non-Heat	Gas Heating	Gas Non-Heat
Tier 1	\$23	\$23	\$34	\$3
Tier 2	\$39	\$39	\$50	\$3
Tier 3	\$72	\$56	\$67	\$3
Tier 4	\$0	\$0	\$0	\$0

Central Hudson will provide the bill discount at the Tier 1 level to all eligible customers beginning with the 2016/2017 HEAP season on or about November 15, 2016. Central Hudson will provide bill discounts by tiered income level beginning with the 2017/2018 HEAP season beginning on or about November 15, 2017.

Customers receiving HEAP assistance for other fuel types for the 2016/2017 HEAP season beginning on or about November 15, 2016 may self-identify into the program by providing Central Hudson with documentation that they are receiving HEAP assistance for another fuel type. Central Hudson will utilize automatic enrollment for customers receiving HEAP assistance for other fuel types beginning with the 2017/2018 HEAP season on or about November 15, 2017.

All customers enrolled in the Low Income Bill Discount Program will receive the applicable benefit for 12 consecutive months.

Beginning on or about November 15, 2017, Central Hudson will automatically enroll customers in Levelized Payment Billing (budget billing) as described in General Information Section No. 34. Customers will be able to opt-out of budget billing by contacting the Company.

Reconnection Fees

For customers participating in the Enhanced Powerful Opportunity Program or the HEAP Bill Credit Program, service reconnection fees will be waived, with a limit of one time per customer. Waivers will be granted in compliance with the funding terms established in the June 26, 2013 Order in Case 12-M-0192. Central Hudson may grant waivers to individual customers more than once during this period, on a case-by-case basis and for good cause shown.

Effective with the 2016/2017 HEAP season, on or about November 15, 2016, service reconnection fees for customers enrolled in the Low Income Bill Discount Program will be waived, subject to a limit of one time per customer in a twelve month period. Central Hudson may grant waivers to individual customers more than once in a twelve month period, on a case-by-case basis for good cause shown.

PSC NO: 12 GAS
 COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
 INITIAL EFFECTIVE DATE: 11/15/16
 Issued in Compliance with Order in C.12-M-0192 dated June 26, 2013

LEAF: 126
 REVISION: 16
 SUPERSEDING REVISION: 15

42. OTHER CHARGES AND ADJUSTMENTS

A. Supplemental Benefit Credit

During the 2008/2009 HEAP Plan Year (commencing November 3, 2008), each residential customer who receives a HEAP benefit for their Central Hudson bill and is enrolled in, or eligible for, Central Hudson's Enhanced Powerful Opportunities Program will receive a one-time supplemental benefit credit of \$300 applied to their Central Hudson account. A one-time supplemental benefit credit of \$200 will be applied to the accounts of all remaining HEAP recipients during the 2008/2009 HEAP Plan Year. Each customer will be entitled to only one supplemental benefit credit regardless of whether the customer takes electric and gas service from the Company.

The provision of supplemental benefit credits will be funded from the balance of surplus funds in the Interim and Enhanced Powerful Opportunities Programs.

The provision of supplemental benefit credits complies with the New York State Public Service Commission's Orders in Case Nos. 05-E-0934 and 05-G-0935 issued and effective November 13, 2008.

HEAP Bill Credit Program

Each residential customer who received a HEAP benefit for their Central Hudson bill during the 2012/2013 HEAP Plan Year will receive a credit each month applied to their Central Hudson account. A HEAP credit will continue for 12 consecutive months, or until the customer becomes eligible for the Low Income Bill Discount Program. Pursuant to the Order in Case 12-M-0192 issued and effective June 26, 2013, bill credit levels for eligible single and dual service HEAP program participants shall apply as follows. The monthly credit for gas only heating customers shall be \$17.50 per month. The monthly credit for gas only non-heating customers shall be \$5.50 per month. For customers taking both electric and gas service from the Company, the monthly credits shall be \$23.00 and \$11.00 for heating and non-heating customers respectively. To avoid any immediate reduction in benefits, any single service non-heating customer currently enrolled in HEAP for the 2012/2013 HEAP Plan Year will continue to receive the previously established bill credit of \$11.00 per month for a total of twelve consecutive months or until the customer renews their HEAP benefit for the succeeding Plan Year, whichever is less. If a single service non-heating customer renews their HEAP benefit for succeeding Plan Years, the customer will continue to receive a bill credit, as established above, of \$11.00 per month as long as the customer's HEAP eligibility is renewed in a month succeeding a month in which the customer received the \$11.00 bill credit, such that the customer receives the bill credit continuously without interruption. A single service non-heating customer receiving a bill credit of \$11.00 per month as established above, who does not timely apply for a HEAP benefit, such that they do not receive the bill credit for one calendar month or more, and who subsequently receives a HEAP benefit will receive a bill credit of \$5.50 per month as established above.

Low Income Bill Discount Program

Eligibility and enrollment into this program will be applicable to low income customers receiving HEAP assistance for either their Central Hudson electric and/or gas service or other fuel types. The low income bill discount credits that will be provided to customers under this program are as follows:

Income Level	Electric Heating	Electric Non-Heat	Gas Heating	Gas Non-Heat
Tier 1	\$23	\$23	\$34	\$3
Tier 2	\$39	\$39	\$50	\$3
Tier 3	\$72	\$56	\$67	\$3
Tier 4	\$0	\$0	\$0	\$0

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42. OTHER CHARGES AND ADJUSTMENTS(Cont'd)

Low Income Bill Discount Program (Cont'd)

Central Hudson will provide the bill discount at the Tier 1 level to all eligible customers beginning with the 2016/2017 HEAP season on or about November 15, 2016. Central Hudson will provide bill discounts by tiered income level beginning with the 2017/2018 HEAP season beginning on or about November 15, 2017.

Customers receiving HEAP assistance for other fuel types for the 2016/2017 HEAP season beginning on or about November 15, 2016 may self-identify into the program by providing Central Hudson with documentation that they are receiving HEAP assistance for another fuel type. Central Hudson will utilize automatic enrollment for customers receiving HEAP assistance for other fuel types beginning with the 2017/2018 HEAP season on or about November 15, 2017.

All customers enrolled in the Low Income Bill Discount Program will receive the applicable benefit for 12 consecutive months.

Beginning on or about November 15, 2017, Central Hudson will automatically enroll customers in Levelized Payment Billing (budget billing) as described in General Information Section No. 37. Customers will be able to opt-out of budget billing by contacting the Company.

Reconnection Fees

For customers participating in the Enhanced Powerful Opportunity Program or the HEAP Bill Credit Program, service reconnection fees will be waived, with a limit of one time per customer. Waivers will be granted in compliance with the funding terms established in the June 26, 2013 Order in Case 12-M-0192. Central Hudson may grant waivers to individual customers more than once during this period, on a case-by-case basis and for good cause shown.

Effective with the 2016/2017 HEAP season, on or about November 15, 2016, service reconnection fees for customers enrolled in the Low Income Bill Discount Program will be waived, subject to a limit of one time per customer in a twelve month period. Central Hudson may grant waivers to individual customers more than once in a twelve month period, on a case-by-case basis for good cause shown.

Central Hudson Gas & Electric Corporation
Description of Budget Billing Plan

Central Hudson's Budget Billing Plan is a levelized monthly installment payment plan. The plan covers a twelve-month period, which is reconciled at the end of the 12 months to the customer's actual billed amount. The monthly installment amount is based upon the most recent twelve months of usage history at the premise. In the case where there is less than twelve months of usage at the premise, estimated future consumption will be used to calculate the installment amount. The installment amount is calculated by using the twelve months of history and applying estimated supply rates (Gas Supply Charge / Electric Cost Adjustment Mechanism factors) and current rates for all other components of the bill. One-twelfth of the calculated amount is then established as the customer's monthly installment amount.

At each annual anniversary of the Budget, the payments received are reconciled to the actual cost of the billed usage. This reconciliation will be reflected in the amount due on the twelfth bill. If there is an amount due to the customer, the credit will remain on the account, unless the customer asks to have it refunded. At this anniversary, the monthly installments for the upcoming year may also be changed, depending upon the customer's usage and the projected pricing. Central Hudson also reviews the installment amount mid-year in the customers' budget year based on the first six months to determine if the current installment level is correct. The budget installment for future months may be raised or lowered following this review.

The Budget Billing Plan is available to customers who have no usage history. In these cases the budget may be determined based on several considerations including the information the customer provides about the account and location to the Customer Service Representative (CSR). The CSR will also make an assessment using other similar homes in the area for usage and estimate annual usage based on that and on the customer's previous location and suggest a budget, but remind the customer this is just an estimate and they should review in six months. The CSR will also instruct the customer to review their actual readings once received to determine if the budget established is in line with their actual readings. If good information is not available for a customer the CSR will suggest they first build usage history before a budget amount is determined.

PSC NO: 15 ELECTRICITY
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 11/15/16

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34. LEVELIZED PAYMENT BILLING

A. Residential

Residential customers may be billed in accordance with the following budget plan upon request:

The customer's annual billing will be estimated at the applicable unit prices for estimated usage in the preceding 12 months. The customer will be "budget" billed each month for 12 months an amount equal to one-twelfth of such estimated annual billing.

During the budget year the customer's actual usage will be billed regularly under the applicable service classification. If at the end of the 12 months the amount of the budget billing is less than that corresponding to the amount resulting from the regular billing under the applicable service classification of the customer's actual usage, then the customer shall pay the deficiency. If the amount of the budget billing is greater than such regular billing, the Company will apply the excess as credit against future bills.

In order to minimize the amount of over or under payment to be adjusted on the customer's twelfth (final) bill of the budget year, the Company will, at the end of six months, review the budget balance and, based upon known and/or projected rates, adjustments, and usage, reestimate the remaining bills. The Company will also review the budget balance if basic rates, adjustments, or usage changes occur at other times during the budget year. Either of these reviews can result in mandatory revisions to the stipulated monthly budget payment.

If the customer should fail to make the stipulated monthly budget payment on or before the past due date indicated on the bill, this budget may be cancelled and the customer billed in accordance with the applicable service classification. Bills paid after the past due date will be subject to a late payment charge.

The actual bill for customers will be computed in accordance with the applicable service classification. The late payment charge for residential customers will be calculated at the rate of one and one-half percent (1 ½%) per month on all amounts not paid by the past due date indicated on the bill.

In the event of cancellation of the budget plan or the discontinuance of service, any deficiency will then become due, or if there is an excess, that amount will be refunded by the Company.

The monthly budget installment amount for customers enrolled in Central Hudson's "Enhanced Powerful Opportunities" low-income program (EPOP), approved by the Commission in its Order in Case 05-E-0934 issued and effective March 22, 2007, will be reduced to provide a discounted bill according to the terms of the EPOP. Additionally, customers enrolled in EPOP will be eligible for an arrears forgiveness credit which will be administered in accordance with the terms of EPOP. The EPOP will continue to be offered to customers until the end of the 2016/2017 HEAP season, on or about April 15, 2017. Customers who have been accepted into EPOP as of this date will continue to receive the program benefits until they complete the program or are removed from the program.

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COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION
INITIAL EFFECTIVE DATE: 11/15/16

LEAF: 103
REVISION: 2
SUPERSEDING REVISION: 1

37. LEVELIZED PAYMENT BILLING

A. Residential

Residential customers may be billed in accordance with the following budget plan upon request:

The customer's annual billing will be estimated at the applicable unit prices for estimated usage in the preceding 12 months. The customer will be "budget" billed each month for 12 months an amount equal to one-twelfth of such estimated annual billing.

During the budget year the customers actual usage will be billed regularly under the applicable service classification. If at the end of the 12 months the amount of the budget billing is less than that corresponding to the amount resulting from the regular billing under the applicable service classification of the customer's actual usage, then the customer shall pay the deficiency. If the amount of the budget billing is greater than such regular billing, the Company will apply the excess as credit against future bills.

In order to minimize the amount of over or under payment to be adjusted on the customer's twelfth (final) bill of the budget year, the Company will, at the end of six months, review the budget balance and, based upon known and/or projected rates, adjustments, and usage, reestimate the remaining bills. The Company will also review the budget balance if basic rates, adjustments, or usage changes occur at other times during the budget year. Either of these reviews can result in mandatory revisions to the stipulated monthly budget payment.

If the customer should fail to make the stipulated monthly budget payment on or before the past due date indicated on the bill, this budget may be cancelled and the customer billed in accordance with the applicable service classification. Bills paid after the past due date will be subject to a late payment charge.

The actual bill for customers will be computed in accordance with the applicable service classification. The late payment charge for residential customers will be calculated at the rate of one and one-half percent (1 ½%) per month on all amounts not paid by the past due date indicated on the bill.

In the event of cancellation of the budget plan or the discontinuance of service, any deficiency will then become due, or if there is an excess, that amount will be refunded by the Company.

The monthly budget installment amount for customers enrolled in Central Hudson's "Enhanced Powerful Opportunities" low-income program (EPOP), approved by the Commission in its Order in Case 05-G-0935 issued and effective March 22, 2007, will be reduced to provide a discounted bill according to the terms of the EPOP. Additionally, customers enrolled in EPOP will be eligible for an arrears forgiveness credit which will be administered in accordance with the terms of EPOP. The EPOP will continue to be offered to customers until the end of the 2016/2017 HEAP season, on or about April 15, 2017. Customers who have been accepted into EPOP as of this date will continue to receive the program benefits until they complete the program or are removed from the program.

Case 14-M-0565
Summary of Allocation of Low Income Program Costs

Electric	Original Program Costs			Case 14-M-0565 Implementation		Impact	
	Rate Year 1	Rate Year 2	Rate Year 3	Rate Year 2	Rate Year 3	Rate Year 2	Rate Year 3
<u>Rate Allowance</u>							
Enhanced Powerful Opportunities Program	\$ 2,032,000	\$ 2,113,500	\$ 2,198,500	\$ 1,748,295	\$ 1,047,485	\$ (365,205)	\$ (1,151,015)
Low Income Bill Discount Program	\$ 839,000	\$ 839,000	\$ 839,000	\$ 1,684,720	\$ 4,919,771	\$ 845,720	\$ 4,080,771
Reconnection Fee Waiver	\$ 24,000	\$ 24,000	\$ 24,000	\$ 20,197	\$ 40,394	\$ (3,803)	\$ 16,394
	<u>\$ 2,895,000</u>	<u>\$ 2,976,500</u>	<u>\$ 3,061,500</u>	<u>\$ 3,453,212</u>	<u>\$ 6,007,650</u>	<u>\$ 476,712</u>	<u>\$ 2,946,150</u>
<u>Average Customers**</u>							
SC 1 - Residential	254,621	255,089	255,506	255,089	255,506		
SC 6 Residential TOU	<u>1,150</u>	<u>1,150</u>	<u>1,150</u>	<u>1,150</u>	<u>1,150</u>		
	255,771	256,239	256,656	256,239	256,656		
** Joint Proposal Appendix I, Sheet 3 of 20							
<u>Cost Allocation</u>							
SC 1 - Residential	\$ 2,881,983	\$ 2,963,141	\$ 3,047,782	\$ 3,437,714	\$ 5,980,731	\$ 474,573	\$ 2,932,949
SC 6 Residential TOU	\$ 13,017	\$ 13,359	\$ 13,718	\$ 15,498	\$ 26,919	\$ 2,139	\$ 13,201
	<u>2,895,000</u>	<u>2,976,500</u>	<u>3,061,500</u>	<u>3,453,212</u>	<u>6,007,650</u>	<u>476,712</u>	<u>2,946,150</u>
<u>Cost Allocation per Customer</u>							
SC 1 - Residential	\$ 11.32	\$ 11.62	\$ 11.93	\$ 13.48	\$ 23.41	\$ 1.86	\$ 11.48
SC 6 Residential TOU	\$ 11.32	\$ 11.62	\$ 11.93	\$ 13.48	\$ 23.41	\$ 1.86	\$ 11.48
Gas							
	Original Program Costs			Case 14-M-0565 Implementation		Impact	
	Rate Year 1	Rate Year 2	Rate Year 3	Rate Year 2	Rate Year 3	Rate Year 2	Rate Year 3
<u>Rate Allowance</u>							
Enhanced Powerful Opportunities Program	\$ 359,000	\$ 373,000	\$ 388,000	\$ 311,346	\$ 189,857	\$ (61,654)	\$ (198,143)
Low Income Bill Discount Program	\$ 980,000	\$ 980,000	\$ 980,000	\$ 1,584,571	\$ 2,832,920	\$ 604,571	\$ 1,852,920
Reconnection Fee Waiver	\$ 6,000	\$ 6,000	\$ 6,000	\$ 5,372	\$ 10,744	\$ (628)	\$ 4,744
	<u>\$ 1,345,000</u>	<u>\$ 1,359,000</u>	<u>\$ 1,374,000</u>	<u>\$ 1,901,289</u>	<u>\$ 3,033,521</u>	<u>\$ 542,289</u>	<u>\$ 1,659,521</u>
<u>Average Customers**</u>							
SC 1 & 12 - Residential	68,331	69,512	70,692	69,512	70,692		
** Joint Proposal Appendix I, Sheet 17 of 20							
<u>Cost Allocation per Customer</u>							
SC 1 & 12 - Residential	\$ 19.68	\$ 19.55	\$ 19.44	\$ 27.35	\$ 42.91	\$ 7.80	\$ 23.47