

QUARTERLY FINANCIAL REPORT

ELECTRIC AND/OR GAS CORPORATIONS - CLASSES A AND B

REPORT OF **CENTRAL HUDSON GAS & ELECTRIC CORPORATION**

(Insert exact name)

FOR THE QUARTER ENDED **September 30, 2021**

TO THE

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

INSTRUCTIONS

1. Every electric and gas corporation in Classes A and B shall file one copy, and such additional copies as shall be requested, of this report for the three months' period ended March 31, 1984 and for each three months' period thereafter. The filing of a corporations' PSC annual report satisfies the filing requirement to file the fourth quarter PSC quarterly financial report except for certain sales information (Schedule A-1).
2. The report must be filed not later than 45 days after the end of the quarterly period to which it relates.
3. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by this Commission.
4. Throughout the report cents may be omitted and items shown to the nearest dollar.
5. The filing of the Securities and Exchange Commission's (SEC) 10-Q satisfies the filing requirement for the PSC's Quarterly Financial Report's Balance Sheet, Income and Retained Earnings Statement, Cash Flow Statement, and Notes to the Financial Statements for Corporations that file, with the SEC, a New York State specific 10-Q.

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COMPARATIVE BALANCE SHEET

Assets and Other Debits

Line No.	Account Title (a)	Balance at 10/1/2020 Beginning of twelve-month Period* (b) 01	Balance at 09/30/2021 End of Quarter (c) 02	Increase or (Decrease) (d) 03
1	Utility Plant			
2	Utility Plant (101-107, 114, 117, 118.1, 118.2, 120)	\$ 2,729,081,557	\$ 2,921,068,235	\$ 191,986,678
3	Less Accumulated Provision for Depr. Amort.			-
4	and depletion (108-113, 115, 119.1, 119.2, 120.5)	654,164,990	689,637,351	35,472,361
5	Total Net Utility Plant	2,074,916,567	2,231,430,884	156,514,317
6	OTHER PROPERTY AND INVESTMENTS			
7	Nonutility Property (121)	524,237	524,237	-
8	Less: Accum. Prov. for Depr. & Amort (122)			-
9	Investment in Associated Companies (123)			-
10	Investment in Subsidiary Companies (123.1)			-
11	Other Investments (124)	33,159,186	40,609,897	7,450,711
12	Sinking funds (125)			-
13	Depreciation Fund (126)			-
14	Other Special Funds (128)	11,301,058	14,788,651	3,487,593
15	Long-Term, Portion of Derivative Assets (175)			-
16	Long-Term, Portion of Derivative Assets - Hedges (176)			-
17	Total Other Property and Investments	44,984,481	55,922,785	10,938,304
18	CURRENT AND ACCRUED ASSETS			
19	Cash (131)	12,567,797	3,612,486	(8,955,311)
20	Interest Special Deposits (132)			-
21	Dividend Special Deposits (133)			-
22	Other Special Deposits (134)	1,555,177	12,097,873	10,542,696
23	Working Funds (135)	15,016	15,016	-
24	Temporary Cash Investments (136)			-
25	Notes Receivable (141)			-
26	Accounts Receivable (142, 143)	75,323,912	95,544,226	20,220,314
27	Less: Accum. Prov. For Uncoll. Accts. - Cr. (144)	7,500,000	11,200,000	3,700,000
28	Notes Receivable from Associated Companies (145)			-
29	Accounts Receivable from Assoc. Companies (146)	137,240	65,670	(71,570)
30	Materials and Supplies (150-159)	24,455,388	23,636,697	(818,691)
32	Stores Expense Undistributed (163)	356,789	515,578	158,789
33	Gas Stored underground - Current (164.1)			-
34	Liquefied Natural Gas in Storage (164.2)			-
35	Prepayments (165)	24,848,312	38,677,944	13,829,632
36	Interest and Dividends Receivable (171)			-
37	Rents Receivable (172)	669,815	178,064	(491,751)
38	Accrued utility Revenue (173)	18,331,350	20,225,050	1,893,700
39	Misc. Current and Accrued Assets (174)	75,749	75,749	-
40	Derivative Instrument Assets (175)	1,078,591	13,708,522	12,629,931
41	(Less) Long-Term Portion of Derivative Instrument Assets (175)			-
42	Derivative Instrument Assets - Hedges (176)			-
43	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			-
44	Total Current and Accrued Assets	151,915,136	197,152,875	45,237,739
45	DEFERRED DEBITS			
46	Unamort. Debt Expense (181)	4,669,856	4,886,993	217,137
47	Other Regulatory Assets (182)	171,449,533	205,111,963	33,662,430
48	Prelim. Survey and Investigation Charges (183)			-
49	Clearing Account (184)	967,561	1,169,406	201,845
50	Temporary Facilities (185)			-
51	Miscellaneous Deferred Debits (186)	290,236	443,022	152,786
52	Deferred Losses from Disposition of Utility Plant (187)			-
53	Investment in research and Development (188)		19,274	19,274
54	Unamortized loss on Reacquired Debt (189)	1,986,230	1,578,244	(407,986)
55	Accumulated Deferred income Taxes (190)	122,846,700	137,888,837	15,042,137
56	Total Deferred Debits	302,210,116	351,097,739	48,887,623
57	Total Assets and other Debits.	\$ 2,574,026,300	\$ 2,835,604,283	261,577,983

*Beginning balance twelve-months prior to the end of the quarter for which the report is made.

COMPARATIVE BALANCE SHEET

Liabilities and other Credits

Line No.	Account Title (a)	Balance at 10/01/2020 Beginning of twelve-month Period* (b) 0	Balance at 09/30/2021 End of Quarter (c) 02	Increase or (Decrease) (d) 03
1	PROPRIETARY CAPITAL			
2	Common Stock issued (201)	\$ 84,310,435	\$ 84,310,435	-
3	preferred Stock Issued (204)	100	100	-
4	Capital Stock Subscribed (202, 205)			-
5	Stock Liability for Conversion (203, 206)			-
6	Premium on Capital Stock (207)	63,840,146	63,840,146	-
7	Other Paid-in Capital Stock (208-211)	210,611,522	216,611,522	6,000,000
8	Installment Received on Capital Stock (212)			-
9	Capital Stock Expense (214)	(4,632,842)	(4,632,842)	-
10	Appropriated retained Earnings (215)			-
11	Unappropriated Retained Earnings (216)	471,614,897	546,431,804	74,816,907
12	Unappropriated Undistributed Subsidiary Earnings (216.1)			-
13	Reacquired Capital Stock (217)			-
14	Accumulated Other Comprehensive Income (219)	(292,617)	(54,391)	238,226
15	Total Proprietary Capital	825,451,641	906,506,774	81,055,133
16	LONG-TERM DEBT			
17	Bonds (221)			-
18	Reacquired Bonds (222)			-
19	Advances from Assoc. Companies (223)			-
20	Other Long-term debt (224)	806,950,000	867,800,000	60,850,000
21	Unamortized Premium on Long-term Debt (225)			-
22	Unamortized Discount on Long-term Debt - Debit (226)			-
23	Total Long-term Debt	806,950,000	867,800,000	60,850,000
24	OTHER NONCURRENT LIABILITIES			
25	Obligations Under Capital Leases - Noncurrent (227)	3,366,784	3,265,354	(101,430)
26	Accumulated Provision for Property Insurance (228.1)			-
27	Accumulated Provision for Injuries and Damages (228.2)	4,659,568	5,250,305	590,737
28	Accumulated Provision for Pensions and Benefits (228.3)	(5,007,026)	13,975,861	18,982,887
29	Accumulated Miscellaneous Operating Provisions (228.4)			-
30	Accumulated Provision for Rate Refunds (229)			-
31	Long-Term Portion of Derivative Instrument Liabilities			-
32	Long-Term Portion of Derivative Instrument Liabilities - Hedges			-
33	Asset Retirement Obligations (230)	633,477	1,911,374	1,277,897
34	TOTAL Other Noncurrent Liabilities	3,652,803	24,402,894	20,750,091
35	CURRENT AND ACCRUED LIABILITIES			
36	Notes Payable (231)		70,000,000	70,000,000
37	Accounts Payable (232)	54,517,424	61,598,278	7,080,854
38	Notes Payable to Associated Companies (233)			-
39	Accounts Payable to Associated Companies (234)	945,378	1,111,412	166,034
40	Customer Deposits (235)	7,633,056	7,713,852	80,796
41	Taxes Accrued (236)	7,145,069	8,754,289	1,609,220
42	Interest Accrued (237)	10,911,070	10,258,432	(652,638)
43	Dividends Declared (238)			-
44	Matured Long-term Debt (239)			-
45	Matured Interest (240)			-
46	Tax Collection Payable (241)	447,261	780,984	333,723
47	Misc. Current and Accrued Liabilities (242)	19,075,141	21,445,826	2,370,685
48	Obligations Under Capital Leases - Current (243)	357,065	425,465	68,400
49	Derivative Instrument Liabilities (244)			-
50	(Less) Long-Term Portion of Derivative Instrument Liabilities			-
51	Derivative Instrument Liabilities - Hedges (245)			-
52	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges			-
53	Total Current and Accrued Liabilities	101,031,464	182,088,538	81,057,074
54	DEFERRED CREDITS			
55	Customer Advances for Construction (252)	3,391,273	13,949,842	10,558,569
56	Other Deferred Credits (253)	131,712,930	119,085,553	(12,627,377)
57	Other Regulatory Liabilities (254)	338,175,760	315,892,653	(22,283,107)
58	Accumulated Deferred Investment tax Credits (255)			-
59	Deferred Gains from Disposition of Utility Plant (256)			-
60	Accumulated Deferred Income Taxes - Accelerated Amortization (281)			-
61	Accumulated Deferred Income Taxes - Liberalized Depreciation (282)	228,749,507	242,199,707	13,450,200
62	Accumulated Deferred Income Taxes - Other (283)	134,910,922	163,678,322	28,767,400
63	Total Deferred Credits	836,940,392	854,806,077	17,865,685
64	OPERATING RESERVES			
65	Property Insurance Reserve (261)	-	-	-
66	Injuries and Damages Reserve (262)	-	-	-
67	Pensions and Benefits Reserve (263)	-	-	-
68	Miscellaneous Operating Reserve (265)	-	-	-
69	Total Operating Reserve	-	-	-
70	Total Liabilities and Other Credits	2,574,026,300	2,835,604,283	261,577,983

*Beginning balance twelve-months prior to the end of the quarter for which the report is made.

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STATEMENT OF INCOME (see note #1 on page 7)

FOR THE TWELVE MONTH PERIOD TO THE END OF THE QUARTER				Line No.	Account (e)
Total (a) 01	Electric (b) 02	Gas (c) 03	(d) 04		
765,866,646	594,033,479	171,833,167		1	UTILITY OPERATING INCOME
				2	Operating Revenues (400)
441,485,184	353,594,857	87,890,327		3	Operating Expenses:
58,875,717	50,235,531	8,640,186		4	Operating Expenses (401)
-				5	Maintenance Expenses (402)
57,657,097	43,124,186	14,532,911		6	Joint Expenses (402.1)
-				7	Depreciation Expense (403)
-				8	Depreciation Expense for Asset Retirement Costs (403.1)
-				9	Amortization and Depletion of Utility Plant (404)
13,479,272	10,836,280	2,642,992		10	Amortization of Other Utility Plant (405)
-				11	Amortization of Utility Plant Acq. Adj. (406)
-				12	Amort. Of Property Losses (Elec. 407, Gas 407.1)
-				13	Amortization of Conversion Expense (Gas 407.2)
70,917,932	52,399,284	18,518,648		14	Taxes Other Than Income Taxes (408.1)
18,312,213	11,539,769	6,772,444		15	Income Taxes (409.1, 410.1, 411.1, 411.4, 411.8)
				16	Gains from Disposition of Utility Plant (411.6)
				17	Loss from Disposition of Utility Plant (411.7)
				18	Losses from Disposition of Allowances (411.9)
				19	Accretion Expense (411.10)
660,727,415	521,729,907	138,997,508		20	Total Operating Expenses
105,139,231	72,303,572	32,835,659		21	Net Operating Revenues
-	-	-		22	Revenues from Utility Plant Leased to others (412)
-	-	-		23	Expenses of Utility Plant Leased to Others (413)
-	-	-		24	Other Utility Operating Income (414)
105,139,231	72,303,572	32,835,659		25	Total Utility Operating Income
				26	OTHER INCOME
				27	Income from Merchandising, Jobbing and
				28	Contract Work (415,416)
				29	Income from Nonutility Operations (417, 417.1)
				30	Nonoperating Rental Income (418)
				31	Equity Earnings of Subsidiary Companies (418.1)
2,347,679	1,871,245	476,434		32	Interest and Dividend Income (419)
4,987,723	4,306,322	681,401		33	Allowance for Funds Used During Construction (419.1)
(391,667)	(511,028)	119,361		34	Miscellaneous Nonoperating Income (421)
-	-	-		35	Gain on Disposition of Property (421.1)
6,943,735	5,666,539	1,277,196		36	Total Other Income
-	-	-		37	OTHER INCOME DEDUCTIONS
-	-	-		38	Loss on Disposition of Property (421.2)
-	-	-		39	Miscellaneous Amortization (425)
649,982	431,140	218,842		40	Miscellaneous Income Deductions (426)
649,982	431,140	218,842		41	Total Other Income Deductions
				42	TAXES-OTHER INCOME AND DEDUCTIONS
112,088	89,672	22,416		43	Taxes Other Than Income Taxes (408.2)
(1,134,400)	(802,460)	(331,940)		44	Income Taxes (409.2, 410.2, 411.2, 411.5, 420)
(1,022,312)	(712,788)	(309,524)		45	Total Taxes-Other Income and Deductions
7,316,065	5,948,187	1,367,878		46	Net Other Income and Deductions
				47	INTEREST CHARGES
32,992,491	23,424,669	9,567,822		48	Interest on Long-term Debt (427)
779,808	553,663	226,145		49	Amortization of Debt Disc. And Expense (428)
				50	Amortization of Premium on Debt-Credit (429)
				51	Interest on Debt to Associated Companies (430)
3,866,090	2,974,201	891,889		52	Other Interest Expense (431)
37,638,389	26,952,533	10,685,856		53	Total Interest Charges
74,816,907	51,299,226	23,517,681		54	Income Before Extraordinary Items
-	-	-		55	EXTRAORDINARY ITEMS
-	-	-		56	Extraordinary Income (434)
-	-	-		57	Extraordinary Deductions (435)
-	-	-		58	Income Taxes, Extraordinary Items (409.3)
-	-	-		59	Net Extraordinary Items
74,816,907	51,299,226	23,517,681		60	Net Income

STATEMENT OF INCOME (Continued)

Line No.	FOR THE CURRENT QUARTER				
	Total (f) 05	Electric (g) 06	Gas (h) 07	(i) 08	
1					NOTES TO STATEMENT OF INCOME: 1. In Column (b) through (d) show the Departmental Distribution of all amounts reported on lines 2 through 57 in column (a) 2. In columns (g) through (i) show the Departmental Distribution of all amounts reported on lines 2 through 57 in column (f)
2	179,931,496	159,733,937	20,197,559		
3					
4	113,548,581	99,683,710	13,864,871		
5	15,111,652	13,194,467	1,917,185		
6	-				
7	14,807,275	11,062,816	3,744,459		
8	-				
9	17,259	17,259	-		
10	3,477,077	2,820,715	656,362		
11	-				
12	-				
13	-				
14	16,150,136	13,433,334	2,716,802		
15	1,948,200	3,277,300	(1,329,100)		
16	-				
17					
18					
19					
20	165,060,180	143,489,601	21,570,579		
21	14,871,316	16,244,336	(1,373,020)		
22	-	-	-		
23	-	-	-		
24	-	-	-		
25	14,871,316	16,244,336	(1,373,020)		
26	-	-	-		
27	-	-	-		
28	-	-	-		
29	-	-	-		
30	-	-	-		
31	-	-	-		
32	478,867	382,082	96,785		
33	1,549,624	1,318,413	231,211		
34	(135,564)	(31,521)	(104,043)		
35	-	-	-		
36	1,892,927	1,668,974	223,953		
37	-	-	-		
38	-	-	-		
39	-	-	-		
40	148,286	97,107	51,179		
41	148,286	97,107	51,179		
42	-	-	-		
43	28,114	22,490	5,624		
44	(242,900)	(175,800)	(67,100)		
45	(214,786)	(153,310)	(61,476)		
46	1,959,427	1,725,177	234,250		
47					
48	8,326,886	5,912,089	2,414,797		
49	160,444	113,916	46,528		
50	-	-	-		
51	-	-	-		
52	675,652	470,681	204,971		
53	9,162,982	6,496,686	2,666,296		
54	7,667,762	11,472,827	(3,805,066)		
55	-	-	-		
56	-	-	-		
57	-	-	-		
58	-	-	-		
59	-	-	-		
60	7,667,762	11,472,827	(3,805,066)		

STATEMENT OF RETAINED EARNINGS

For the Quarter

Current Year (a) 10/01/2020-09/30/2021	Increase or (decrease) from same period in preceding year (b) 02	Line No.	Account (c)	Current Quarter (d) 03 07/01/2021-9/30/2021	Increase or (decrease) from same period in preceding year (e) 04
471,614,897	63,656,618	1	Unappropriated Retained Earnings (Beg. Of period) (216)	538,764,042	81,562,395
74,816,907	9,960,289	2	Balance Transferred from Income (433)	7,667,762	(6,745,488)
		3	Appropriations of Retained Earnings (436)	-	-
		4	Dividends Declared - Pref. Stock (437)	-	-
		5	Dividends Declared - Com. Stock (438)	-	-
	1,200,000	6	Adjustment to Retained Earnings (439)	-	-
74,816,907	11,160,289	7	Net Change to Unapprop. Retained Earnings	7,667,762	(6,745,488)
546,431,804	74,816,907	8	Unapprop. Retained Earnings (end of period) (216)	546,431,804	74,816,907
-	-	9	Approp. Retained Earnings (end of period) (215)	-	-
546,431,804	74,816,907	10	Total Retained Earnings (215, 216)	546,431,804	74,816,907
-	-	11	Unapp. Undist. Subsid. Earnings (beg. Of period) (216.1)	-	-
-	-	12	Equity in Earnings for period	-	-
-	-	13	Dividends Declared	-	-
-	-	14	Other Changes (Explain)	-	-
-	-	15	Unapp. Undist. Subsid. Earnings (end of period) (2161)	-	-

NOTES TO INCOME AND RETAINED EARNINGS STATEMENTS

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STATEMENT OF CASH FLOWS

Line No.	Items (a)	For the Current Quarter (b)	For the Twelve-Month period to the End of the Quarter	
			Current Year (c)	Increase or (Decrease) (d)
	Cash flows from operating activities:			
1	Net income	\$ 7,667,762	\$ 74,816,907	\$ 9,960,289
	Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
2	Depreciation and depletion	14,754,511	57,446,510	3,700,479
3	Amortizations	3,377,269	13,009,055	1,590,712
4	Increase (Decrease) in deferred taxes and investment tax credits - net	342,300	15,708,387	(18,426)
5	(Less): Capitalized allowance for equity funds used during construction (AFUDC)	1,183,953	3,440,680	524,332
6	Decrease (Increase) in receivables related to operations excluding unbilled revenues	(14,800,365)	(27,886,898)	(11,425,582)
7	Decrease (Increase) in inventory related to operations	(688,649)	659,904	(522,796)
8	Increase (Decrease) in accrued expenses and accounts payable related to operations	10,994,610	8,644,807	6,391,808
9	Unbilled revenues			
10	Increase (Decrease) in current income taxes and other taxes payable	554,000	(7,000)	1,506,483
11	Increase (Decrease) in interest payable	2,351,886	(652,638)	(2,727,689)
12	Equity in loss (earnings) of affiliates			
13	Dividends received from associated and subsidiary companies accounted for under the equity method			
14	Other Adjustments:	(8,665,909)	(4,447,599)	(19,090,148)
15	(Increase) Decrease in Regulatory Assets	(16,707,720)	(19,316,457)	(11,536,687)
16	Increase (Decrease) in Regulatory Liabilities	(2,068,409)	(22,476,968)	(13,211,187)
17	TOTAL Adjustments	(11,740,429)	17,240,423	(45,867,365)
18	Net Cash provided by (used in) operating activities	(4,072,667)	92,057,330	(35,907,076)
	Cash flows from investing activities:			
	Cash outflows for construction:			
19	Telephone Plant (include capital lease)			
20	Water plant			
21	Electric plant	(26,758,454)	(102,766,253)	20,442,143
22	Nuclear plant			
23	Nuclear fuel			
24	Gas plant	(17,499,589)	(65,255,728)	2,359,947
25	Steam plant			
26	Common plant	(17,272,466)	(67,757,001)	(541,478)
27	Non-utility plant			
28	Other plant:	966,048	(4,935,381)	(747,418)
	Adjustments to gross additions:			
29	Increase (Decrease) in payables related to construction			
30	Decrease (Increase) in inventory related to construction			
31	Capital leases (Telephone only)			
32	Equity AFUDC	1,183,953	3,440,680	524,332
33	Other adjustments for construction			
34	Total cash outflows for construction	(59,380,508)	(237,273,683)	22,037,526

STATEMENT OF CASH FLOWS (cont'd)

Items (a)	For the Current Quarter (b)	For the Twelve-Month period to the End of the Quarter		Line No.
		Current Year (c)	Increase or (Decrease) (d)	
Acquisition of other non-current assets (5) (d)				1
Payments for the acquisition of other debt and equity				2
Securities (5) (a)				3
Investments in and advances to subsidiaries and associated companies				4
Repayments of advances by associated and subsidiary companies				5
Net proceeds from sale or disposition of:				6
Property, plant and equipment				7
Investments in subsidiary and associated companies				8
Other debt and equity investments				9
Other non-current assets				10
Other:				11
				12
				13
				14
				15
				16
Net cash provided by (used in) investing activities	(59,380,508)	(237,273,683)	22,037,526	17
Cash flows from financing activities:				18
Proceeds from issuing:				19
Long-term debt (5)(b)	-	105,000,000	(95,000,000)	20
Common stock				21
Preferred stock				22
Net change in short-term debt (5)(c)	60,000,000	70,000,000	85,000,000	23
Contributions and advances from subsidiary and associated companies	6,000,000	6,000,000	(15,000,000)	24
Principal payments under capital leases (Telephone only)				25
Payments for retirement of:				26
Common stock				27
Preferred stock				28
Long-term debt (5)(b)		(44,150,000)	22,850,000	29
Dividends paid on:				30
Common stock				31
Preferred stock				32
Other: (5)(e)		(588,958)	529,599	33
				34
				35
				36
				37
				38
Net cash provided by (used in) financing activities	66,000,000	136,261,042	(1,620,401)	39
				40
Net increase (decrease) in cash and cash equivalents	2,546,825	(8,955,311)	(15,489,951)	41
Cash and cash equivalents at the beginning of the year	1,080,677	12,582,813	6,534,640	42
Cash and cash equivalents at the end of the year	3,627,502	3,627,502	(8,955,311)	43

STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's report to stockholders are applicable to this statement, such notes should be attached below. Information about non-cash investing and financing activities should be provided below. Also provide below a reconciliation between "Cash and Cash Equivalents at End of Year" with related accounts on the balance sheet.

2. "Other adjustments" in operating activities should include net changes in deferred debits and credits. In all activities companies should specify significant amounts and group others.

3. Operating activities - other: Exclude gains and losses from investing and financing activities on lines 14 through 16. Include these gains or losses in the appropriate investing or financing activities section. Show below the amount of interest paid (net of amounts capitalized) and income taxes paid.

4. Investing activities - include at "Other" line 43 the net cash flow to acquire other companies that are not associated on subsidiaries. Provide a reconciliation of assets acquired with liabilities assumed below.

5. Codes used:

- (a) Net proceeds or payments.
- (b) Bonds, debentures and other long-term debt.
- (c) Include commercial paper.
- (d) Identify separately in space below such items as investments, fixed assets, intangibles, etc.
- (e) Show separately, by issue, financing expenses related to issuance and gains or losses resulting from redemptions.

6. Companies with more than \$50 million in annual revenues may report cash flow statement amounts to the nearest thousand dollars. Companies so doing should note this below.

7. Increase or (decrease) in column (d) should show the increase or decrease for the twelve-month period to the end of the quarter of the preceding year.

	Period Ending
	September 30, 2021
Non-cash Investing Activities	
Additions to utility plant assets included in liabilities	18,963,533

	Period Ending
	September 30, 2021
Reconciliation Cash and Cash Equivalents	
Cash (131)	3,612,486
Working Funds (135)	15,016
Total Cash	3,627,502

	Twelve Month Period Ending
	September 30, 2021
Other Operating Activities	
Provision for uncollectibles	9,581,264
Pension expense	2,087,097
OPEB expense	(5,701,790)
Special deposits	(14,152,680)
Pension plan contribution	(1,391,178)
OPEB contribution	(812,444)
Customer advances	1,281,678
Accrued pension	4,787,710
Accrued OPEB	441,642
Other net	(568,898)
Total Other Operating Activities - Line 14	(4,447,599)

	Twelve Month Period Ending
	September 30, 2021
Other Investing Activities	
Capitalized depreciation	2,105,489
SERP (funding) distribution	(6,939,174)
Other	(101,696)
Total Other Investing Activities - Line 28	(4,935,381)

	Twelve Month Period Ending
	September 30, 2021
Other Financing Activities	
Debt issuance costs	(588,958)
Total Other Financing Activities - Line 35	(588,958)

STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's report to stockholders are applicable to this statement, such notes should be attached below. Information about non-cash investing and financing activities should be provided below. Also provide below a reconciliation between "Cash and Cash Equivalents at End of Year" with related accounts

2. "Other adjustments" in operating activities should include net changes in deferred debits and credits. In all activities companies should specify

3. Operating activities - other: Exclude gains and losses from investing and financing activities on lines 14 through 16. Include these gains or losses in the appropriate investing or financing activities section. Show below the

4. Investing activities - include at "Other" line 43 the net cash flow to acquire other companies that are not associated on subsidiaries. Provide a

5. Codes used:

- (a) Net proceeds or payments.
- (b) Bonds, debentures and other long-term debt.
- (c) Include commercial paper.
- (d) Identify separately in space below such items as investments, fixed assets, intangibles, etc.
- (e) Show separately, by issue, financing expenses related to issuance and gains or losses resulting from redemptions.

6. Companies with more than \$50 million in annual revenues may report cash flow statement amounts to the nearest thousand dollars.

7. Increase or (decrease) in column (d) should show the increase or decrease for the twelve-month period to the end of the quarter of the

Supplemental Information:
Interest, net of Amounts Capitalized
Federal and State Income Taxes Paid

Year to Date Current Period
September 30, 2021
21,305,783
1,493,000

IMPORTANT CHANGES DURING THE QUARTER

Report important changes of the type listed. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquires: and if "none" states the fact it should be used.

- | | |
|--|--|
| 1. Changes in franchise rights | 5. Wages change |
| 2. Information on consolidations, mergers and reorganization | 6. Change in articles of incorporation |
| 3. Securities issued | 7. Change in general officers |
| 4. Rate change | 8. Other important changes |

1. None

2. None

3. None

4. None

5. None

6. None

7. None

8. None

VIII. OPERATING DATA

Instructions:

Append to this report the schedules listed below. The information requested should be given by month for each month, summarized for the quarter covered by this report and for the twelve month period as of the current reporting quarter. Electric operating data should be listed followed by gas operating data.

A. Sales

For each accounting division (and summarized in total for all accounting divisions) give the following information:

Schedule A-1

The number of customers served, the kwh or Dth sold, and the revenue therefrom, subdivided by the operating revenue accounts, under each schedule and service classification number.

When the same rate is contained in more than one schedule, all sales and revenues under that rate may be combined, but each schedule and each service classification number under which sales were made must be shown in the controlling heading above the columns in which sales are listed. If, under any service classification, all or part of the bills are rendered at regular billing interval.

Schedule A-2

The number of customers served, the Kwh or Dth sold, and the revenue therefrom, subdivided by operating accounts, at other than service classification rates.

Schedule A-3

The Kwh or Dth sold and the revenue derived from sales for resale to each utility or public authority.

Schedule A-4

The total amount by month and account for other revenues (Electric - Accounts 450 to 456; Gas - Accounts 487 to

B. Generating Stations

Schedule B-1

Separately for each generating station report.

- (1) The fuel expense for the production of electric energy by fuel type.
- (2) The number of Kwh generated by each kind of motive power. (Excluding current used in station auxiliaries. Step-up transformers are not to be considered station auxiliaries.)

C. Purchase or Exchange of Electricity or Gas

Schedule C-1

Separately for each contract governing the purchase or exchange of electricity or gas, the number of kwh or Dth received or delivered, the cost per kwh or Dth and the charge or credit therefor. For electricity purchased or exchanged, show separately the demand and energy costs and, in the case of gas, the kind of gas received or

CENTRAL HUDSON GAS & ELECTRIC CORP

SHEET 1 OF 2

**QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION FOR THE QUARTER ENDED SEPTEMBER 2021
SCHEDULE A-1 ELECTRIC - CUSTOMERS, SALES IN KWH AND REVENUES**

ACCT NO.	P.S.C. NO. 14	CLASSIFICATION	JULY			AUGUST			SEPTEMBER		
			CUSTOMER	SALES	REVENUES	CUSTOMER	SALES	REVENUES	CUSTOMER	SALES	REVENUES
440	1	RESIDENCE	219,882	179,239,339	29,857,246	213,554	171,571,528	32,281,338	217,389	156,317,349	31,119,076
	6	TIME OF USE OFF SYSTEM SALES	908	1,168,037	161,225	863	1,104,904	180,842	797	974,517	152,563
TOTAL 440			220,790	180,407,376	30,018,471	214,417	172,676,432	32,462,180	218,186	157,291,866	31,271,639
442	1	RESID-CHURCH SERV	128	228,884	33,737	146	290,464	49,615	378	360,129	68,731
	2	ALL PURPOSE	28,569	57,772,735	7,002,035	27,724	61,983,239	8,561,114	27,671	53,180,650	8,054,228
	3	LARGE POWER & LIGHT	8	6,117,292	541,090	6	5,128,719	507,817	9	7,439,447	773,632
	5	AREA LIGHTING	3,890	709,491	230,118	3,820	798,125	241,172	1,892	406,031	116,997
TOTAL 442			32,595	64,828,402	7,806,980	31,696	68,200,547	9,359,718	29,951	61,386,257	9,013,588
444		PUBLIC ST & HW LIGHT	210	765,001	473,445	210	823,429	475,494	140	341,394	205,554
445	1	RESIDENCE	121	221,518	33,250	98	188,820	32,161	106	147,210	26,445
	2	ALL PURPOSE	2,027	10,024,180	1,198,723	1,942	10,089,803	1,330,320	1,764	7,965,846	1,104,116
	3	LARGE POWER & LIGHT OTHER PUBLIC AUTH	3 193	1,897,192 59,710	219,145 18,646	2 193	1,739,002 59,717	221,329 19,470	3 66	2,598,340 85,938	318,549 25,363
TOTAL 445			2,344	12,202,600	1,469,764	2,235	12,077,342	1,603,280	1,939	10,797,334	1,474,473
447		SALES FOR RESALE	5	5,195,320	240,544	4	4,541,317	241,728	4	8,355,493	389,304
448		INTERDEPT. SALES	1	164,867	5,597	1	69,341	4,764	84	78,433	5,254
TOTAL ELEC SALES			255,945	263,563,566	40,014,801	248,563	258,388,408	44,147,164	250,304	238,250,777	42,359,812
450		FINANCE CHARGES			0			(226)			(176)
451		MISC. SERV REVENUES			20,817			23,702			(71,708)
454		RENT FROM PROPERTY			1,095,989			267,648			139,893
**456		OTHER ELECTRIC REV.			(393,454)			1,353,228			986,215
456.21-456.27		DELIVERY SERVICE	58,529	211,019,745	9,950,724	56,557	190,486,201	10,889,754	56,098	198,551,051	8,949,754
OTHER OPER REVENUES			58,529	211,019,745	10,674,076	56,557	190,486,201	12,534,106	56,098	198,551,051	10,003,978
TOTAL ELEC. REVENUES			314,474	474,583,311	50,688,877	305,120	448,874,609	56,681,270	306,402	436,801,828	52,363,790

** PLEASE NOTE: THE FOLLOWING AMOUNTS ARE RELATED TO THE REVENUE OF REVENUE ACCOUNT 45610, TRANSMISSION OF ENERGY: JULY 2021 \$18,946
AUGUST 2021 \$18,699, & SEPTEMBER 2021 \$39,771

CENTRAL HUDSON GAS & ELECTRIC CORP
QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION FOR THE QUARTER ENDED SEPTEMBER 2021
SCHEDULE A-1 ELECTRIC - CUSTOMERS, SALES IN KWH AND REVENUES

SHEET 2 OF 2

ACCT NO.	P.S.C. NO. 14 RATE #	CLASSIFICATION	TOTAL FOR QUARTER			12 MONTHS ENDED SEPTEMBER 2021 AVERAGE		
			CUSTOMER	SALES	REVENUES	CUSTOMER	SALES	REVENUES
440	1	RESIDENCE	650,825	507,128,216	93,257,660	216,369	1,824,303,493	330,005,042
	6	TIME OF USE	2,568	3,247,458	494,630	869	14,444,644	2,045,241
		OFF SYSTEM SALES	0	0	0	0	0	0
TOTAL 440			653,393	510,375,674	93,752,290	217,239	1,838,748,137	332,050,283
442	1	RESID-CHURCH SERV	652	879,477	152,083	140	2,548,623	420,966
	2	ALL PURPOSE	83,964	172,936,624	23,617,377	27,894	595,643,241	85,361,636
	3	LARGE POWER & LIGHT	23	18,685,458	1,822,539	10	87,631,687	6,974,330
	5	AREA LIGHTING	9,602	1,913,647	588,287	3,772	10,733,507	2,731,418
TOTAL 442			94,241	194,415,206	26,180,286	31,816	696,557,058	95,488,350
444		PUBLIC ST & HW LIGHT	560	1,929,824	1,154,493	203	11,169,078	5,528,206
445	1	RESIDENCE	325	557,548	91,856	103	1,900,430	308,375
	2	ALL PURPOSE	5,733	28,079,829	3,633,159	1,914	114,060,085	13,749,217
	3	LARGE POWER & LIGHT	8	6,234,534	759,023	4	24,030,545	2,385,148
		OTHER PUBLIC AUTH	452	205,365	63,479	189	975,602	260,258
TOTAL 445			6,518	35,077,276	4,547,517	2,211	140,966,662	16,702,998
447		SALES FOR RESALE	13	18,092,130	871,576	5	60,660,974	2,515,880
448		INTERDEPT. SALES	86	312,641	15,615	8	974,498	60,286
TOTAL ELECTRIC SALES			754,812	760,202,751	126,521,777	251,481	2,749,076,407	452,346,003
450		FINANCE CHARGES	0	0	(402)	0	0	(1,653)
451		MISC. SERV REVENUES	0	0	(27,189)	0	0	126,975
454		RENT FROM PROPERTY	0	0	1,503,530	0	0	6,418,533
*456		OTHER ELECTRIC REV.	0	0	1,945,989	0	0	16,825,812
456.21-456.27		DELIVERY SERVICE	171,184	600,056,997	29,790,232	61,100	2,251,336,764	118,317,810
OTHER OPER REVENUES			171,184	600,056,997	33,212,160	61,100	2,251,336,764	141,687,477
TOTAL ELEC. REVENUES			925,996	1,360,259,748	159,733,937	312,581	5,000,413,171	594,033,479

* PLEASE NOTE: THE REVENUE FOR THE QUARTER AND 12 MONTHS TO DATE ASSOCIATED WITH 45610, TRANSMISSION OF ENERGY, ARE AS FOLLOWS :
FOR THE QUARTER - \$77,416 AND FOR 12 MONTHS ENDED - \$256,905

CENTRAL HUDSON GAS & ELECTRIC CORP

SHEET 1 OF 2

**QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION FOR THE QUARTER ENDED SEPTEMBER 2021
SCHEDULE A-2 NATURAL GAS - CUSTOMERS, SALES IN DTH AND REVENUES**

ACCT NO.	P.S.C. NO. 14 RATE #	CLASSIFICATION	JULY			AUGUST			SEPTEMBER		
			CUSTOMER	SALES-DTH	REVENUES	CUSTOMER	SALES-DTH	REVENUES	CUSTOMER	SALES-DTH	REVENUES
480	1	RESIDENCE	70,053	111,427	3,707,035	66,843	107,180	3,618,940	67,335	174,285	3,850,160
481	1	RESID-CHURCH SERV	30	50	1,511	81	105	3,804	102	153	5,092
	2	COMM & INDUSTRIAL	9,147	78,654	1,136,459	8,639	71,001	1,059,695	8,468	93,354	1,073,248
	8	INTERRUPT-COM & IND		0			0		5	19,242	99,437
	11	IND. INTERRUPTIBLE								0	
TOTAL 481			9,177	78,704	1,137,971	8,719	71,106	1,063,498	8,575	112,749	1,177,777
482	1	RESIDENCE	19	46	1,252	18	56	1,331	15	41	1,072
	2	COMM & INDUSTRIAL	585	10,749	120,422	571	12,120	130,242	467	5,837	72,625
	8	INTERRUPT- PUB AUTH	4	613	3,752	2	310	1,898	8	148	899
TOTAL 482			608	11,408	125,426	591	12,486	133,470	491	6,026	74,597
483		SALES FOR RESALE									
		OTHER UTILITIES	0	17,215	29,181		11,946	49,757		19,869	82,611
		MARKETER									
TOTAL 483			0	17,215	29,181	0	11,946	49,757	0	19,869	82,611
484		INTERDEPT. SALES	1	2,203	17,842	1	1,241	10,062	1	0	0
TOTAL GAS SALES			79,838	220,956	5,017,455	76,154	203,959	4,875,727	76,401	312,928	5,185,145
487		FINANCE CHARGES			(2)			(33)			(2)
488		MISC. SERV REVENUES			5,038			3,748			25,567
489		TRANS. CUST OWNED	6,408	723,121	1,538,146	5,906	958,369	1,429,094	5,403	650,429	1,537,159
493		RENT FROM PROPERTY									394
493.1/2/3		IROQUOIS FACIL CHRG									
494		INTERDEPT. RENTS									
495		OTHER GAS			564,718			282,862			(267,459)
OTHER OPER REVENUES			6,408	723,121	2,107,900	5,906	958,369	1,715,671	5,403	650,429	1,295,659
TOTAL GAS REVENUES			86,246	944,078	7,125,355	82,060	1,162,328	6,591,398	81,804	963,357	6,480,804

CENTRAL HUDSON GAS & ELECTRIC CORP
QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION FOR THE QUARTER ENDED SEPTEMBER 2021
SCHEDULE A-2 NATURAL GAS - CUSTOMERS, SALES IN DTH AND REVENUES

SHEET 2 OF 2

ACCT NO.	P.S.C. NO. 14 RATE #	CLASSIFICATION	TOTAL FOR QUARTER			12 MONTHS ENDED SEPTEMBER 2021		
			CUSTOMER	SALES-DTH	REVENUES	CUSTOMER	SALES-DTH	REVENUES
480	1	RESIDENCE	204,231	392,891	11,176,135	68,448	5,325,234	95,587,156
481	1	RESID-CHURCH SERV	212	308	10,407	433	40,002	754,691
	2	COMM & INDUSTRIAL	26,254	243,009	3,269,402	8,968	2,906,562	29,884,146
	8	INTERRUPT-COM & IND	5	19,242	99,437	1	30,951	168,469
	11	IND. INTERRUPTIBLE	0	0	0	0	0	0
TOTAL 481			26,471	262,559	3,379,247	9,401	2,977,515	30,807,307
482	1	RESIDENCE	52	143	3,655	17	3,276	45,565
	2	COMM & INDUSTRIAL	1,622	28,705	323,289	562	679,295	5,890,807
	8	INTERRUPT- PUB AUTH	14	1,071	6,550	7	40,650	241,420
	11	WEST POINT	0	0	0	0	0	0
TOTAL 482			1,689	29,920	333,493	586	723,221	6,177,791
483		SALES FOR RESALE						
		OTHER UTILITIES	0	49,030	161,549	0	2,063,373	7,473,640
		MARKETER	0	0	0	0	0	0
TOTAL 483			0	49,030	161,549	0	2,063,373	7,473,640
484		INTERDEPT. SALES	3	3,444	27,904	1	34,194	268,955
TOTAL GAS SALES			232,393	737,844	15,078,328	78,436	11,123,538	140,314,849
487		FINANCE CHARGES	0		(37)	0		(168)
488		MISC. SERV REVENUES	0		34,353	0		74,369
489		TRANS. CUST OWNED	17,717	2,331,920	4,504,399	6,912	11,503,507	28,038,081
493		RENT FROM PROPERTY	0		394	0		1,891
493.10.20.30		IROQUOIS FACIL CHRG	0		0	0		0
494		INTERDEPT. RENTS	0		0	0		0
495		OTHER GAS	0		580,121	0		3,404,144
OTHER OPER REVENUES			17,717	2,331,920	5,119,230	6,912	11,503,507	31,518,317
TOTAL GAS REVENUES			250,110	3,069,763	20,197,558	85,349	22,627,045	171,833,166

CENTRAL HUDSON GAS & ELECTRIC CORP

SHEET 1 OF 2

**QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION FOR THE QUARTER ENDED SEPTEMBER 2021
SCHEDULE A-3 ELECTRIC SALES IN KWH AND REVENUES FOR RESALE**

SOLD TO	JULY 2021		AUGUST 2021		SEPTEMBER 2021	
	KWH	AMOUNT	KWH	AMOUNT	KWH	AMOUNT
NY STATE E & G CORP - BORDERLINES	(82,369)	(10,369)	(108,170)	(9,443)	(3,655)	(557)
NATIONAL GRID - BORDERLINES	(43,684)	(897)	(8,345)	(185)	0	0
ORANGE & ROCKLAND UTIL - BORDERLINE	(35,354)	(708)	(43,190)	(864)	(1,838)	(37)
MIRANT - GRAHAMSVILLE (A)						
NEW YORK ISO	(4,721,000)	(227,500)	(4,052,000)	(231,236)	(8,239,000)	(386,156)
ORANGE & ROCKLAND UTIL - BLOOMING GROVE						
POWER AUTH STATE OF NY - REQ CAP LEEDS						(414)
NEW YORK STATE ELECTRIC & GAS						
PASNY		(1,070)				(2,140)
JCP&L						
TOTAL	(4,882,407)	(240,544)	(4,211,705)	(241,728)	(8,244,493)	(389,304)

(A) SALES FOR INCIDENTAL USE OF MIRANT ENERGY FOR OPERATION OF ITS
GRAHAMSVILLE HYDROELECTRIC PLANT

CENTRAL HUDSON GAS & ELECTRIC CORP

SHEET 2 OF 2

QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION FOR THE QUARTER ENDED SEPTEMBER 2021

SCHEDULE A-3 ELECTRIC SALES IN KWH AND REVENUES FOR RESALE

SOLD TO	TOTAL FOR QUARTER		12 MONTHS ENDING	
	KWH	AMOUNT	SEPTEMBER 2021	AMOUNT
			KWH	AMOUNT
NY STATE E & G CORP - BORDERLINES	(194,194)	(20,369)	(4,054,882)	(347,672)
NATIONAL GRID - BORDERLINES	(52,029)	(1,082)	(256,694)	(5,325)
ORANGE & ROCKLAND UTIL - BORDERLINE	(80,382)	(1,609)	(414,873)	(8,300)
SOUTHERN ENERGY - GRAHAMSVILLE (A)	0	0		0
NEW YORK ISO	(17,012,000)	(844,891)	(55,181,000)	(2,134,696)
ORANG & ROCKLAND UTIL - BLOOMING GROVE	0	0	0	0
POWER AUTH STATE OF NY - REQ CAP LEEDS	0	(414)	0	(12,049)
NEW YORK STATE ELECTRIC & GAS	0	0		0
PASNY	0	(3,210)	0	(7,837)
JCP&L	0	0	0	0
TOTAL	(17,338,605)	(871,576)	(59,907,449)	(2,515,880)

(A) SALES FOR INCIDENTAL USE OF MIRANT ENERGY FOR OPERATION OF ITS
GRAHAMSVILLE HYDROELECTRIC PLANT

CENTRAL HUDSON GAS & ELECTRIC CORP
QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION FOR THE QUARTER ENDED SEPTEMBER 2021
SCHEDULE A-4 GAS SALES IN DTH AND REVENUES FOR RESALE

SHEET 1 OF 2

<u>SOLD TO - OTHER UTILITIES</u>	JULY DTH	2021 AMOUNT	AUGUST DTH	2021 AMOUNT	SEPTEMBER DTH	2021 AMOUNT
TWIN EAGLE	0		0		0	
TENASKA MARKETING VENTURES	0		0		0	20,800
TENASKA MARKETING CANADA	0		0		0	
CASTLETON COMMODITIES MERCHANT	0		0		0	
EMERA ENERGY LP	0		0		0	
TOTAL	0	0	0	0	0	20,800
<u>SOLD TO - MARKETER</u>						
AGWAY ENERGY SERVICES	0		0		0	
GATEWAY ENERGY SERVICES	0		0		0	
IDT ENERGY INC.	0		0		0	
INTERSTATE GAS SUPPLY OF NY	0		0		0	
M&R ENERGY RESOURCES CORP.	2,881	10,580	744	2,497	0	
HUDSON ENERGY SERVICES LLC	210	770	0		0	
U. S. GAS & ELECTRIC INC.	0		0		0	
COLUMBIA UTILITIES	0		0		0	
DIRECT ENERGY	263	966	173	710	0	
MAJOR ENERGY SERVICES	0		0		0	
FAMILY ENERGY INC.	0		0		0	
UGI ENERGY SVCS INC	397	1,301	0		0	
CITIZENS CHOICE ENERGY, LLC	0		43	180	0	
VIRIDIAN ENERGY PA LLC	0		0		0	
JUST ENERGY	0		256	1,053	0	
AMERICAN POWER & GAS LLC	0		0		0	
ALPHA GAS & ELECTRIC LLC	0		0		39	184
NORTH AMERICAN POWER & GAS	0		0		0	
SPRAGUE OPERATING RESOURCES	335	1,092	0		316	1,289
XOOM ENERGY NEW YORK LLC	0		0		0	
ASTRAL ENERGY LLC	0		0		0	
DIRECT ENERGY BUSINESS MARKETING	5,948	19,454	0		3,800	15,520
EAST COAST POWER & GAS LLC	0		0		0	
RESIDENTS ENERGY LLC	0		10	41	0	
JOSCO ENERGY CORP	0		0		0	
KIWI ENERGY NY LLC	0		0		0	
ATLANTIC ENERGY, LLC	0		0		0	
CCI ROSETON LLC	10,838	34,306	2,179	37,058	3,185	42,175
MEDIAN ENERGY CORP.	2	7	0		0	
CONSTELLATION NEWENERGY GAS	0		0		0	
PLYMOUTH ROCK ENERGY LLC	0		0		98	400
MARATHON POWER LLC	2,637	9,679	1,378	5,651	0	
MPOWER ENERGY LLC	0		0		2	29
NYSEG	0		48	175	14	57
DANSKAMMER ENERGY LLC	(6,302)	(48,992)	590	2,332	481	2,157
SUNSEA ENERGY LLC	5	18	0		0	
GREAT AMERICAN GAS & ELECTRIC	0		14	61	0	
TOTAL	17,215	29,181	5,436	49,757	7,935	61,811
TOTAL SALES FOR RESALE	17,215	29,181	5,436	49,757	7,935	82,611

CENTRAL HUDSON GAS & ELECTRIC CORP
QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION FOR THE QUARTER ENDED SEPTEMBER 2021
SCHEDULE A-4 GAS SALES IN DTH AND REVENUES FOR RESALE

SHEET 2 OF 2

<u>SOLD TO - OTHER UTILITIES</u>	TOTAL FOR QUARTER		12 MONTHS ENDING SEPTEMBER 2021	
	DTH	AMOUNT	DTH	AMOUNT
TWIN EAGLE	0	0	0	0
TENASKA MARKETING VENTURES	0	20,800	296,883	548,823
TENASKA MARKETING CANADA	0	0	56,305	125,918
CASTLETON COMMODITIES MERCHANT	0	0	7,508	4,100
EMERA ENERGY LP	0	0	0	0
TOTAL	0	20,800	360,696	678,841
<u>SOLD TO - MARKETER</u>				
AGWAY ENERGY SERVICES	0	0	11,803	47,059
GATEWAY ENERGY SERVICES	0	0	6,840	27,061
IDT ENERGY INC.	0	0	8,094	31,751
INTERSTATE GAS SUPPLY OF NY	0	0	103	255
M&R ENERGY RESOURCES CORP.	3,625	13,077	134,123	532,625
HUDSON ENERGY SERVICES LLC	210	770	22,473	89,298
U. S. GAS & ELECTRIC INC.	0	0	31,755	127,193
COLUMBIA UTILITIES	0	0	242	982
DIRECT ENERGY	436	1,676	27,739	107,309
MAJOR ENERGY SERVICES	0	0	12,546	49,959
FAMILY ENERGY INC.	0	0	117,014	469,162
UGI ENERGY SVCS INC	397	1,301	61,648	246,623
CITIZENS CHOICE ENERGY, LLC	43	180	2,478	9,929
VIRIDIAN ENERGY PA LLC	0	0	47,907	191,890
JUST ENERGY	256	1,053	13,602	54,798
AMERICAN POWER & GAS LLC	0	0	45,779	185,998
ALPHA GAS & ELECTRIC LLC	39	184	1,730	6,933
NORTH AMERICAN POWER & GAS	0	0	2,714	10,896
SPRAGUE OPERATING RESOURCES	651	2,381	169,492	668,725
XOOM ENERGY NEW YORK LLC	0	0	18,801	75,963
ASTRAL ENERGY LLC	0	0	1,166	4,578
DIRECT ENERGY BUSINESS MARKETING	9,748	34,974	695,523	2,789,559
EAST COAST POWER & GAS LLC	0	0	0	0
RESIDENTS ENERGY LLC	10	41	2,053	8,257
JOSCO ENERGY CORP	0	0	1,511	6,042
KIWI ENERGY NY LLC	0	0	10,648	42,539
ATLANTIC ENERGY, LLC	0	0	9,116	36,522
CCI ROSETON LLC	16,202	113,539	28,015	179,195
MEDIAN ENERGY CORP.	2	7	1,605	6,436
CONSTELLATION NEWENERGY GAS	0	0	44,072	176,231
PLYMOUTH ROCK ENERGY LLC	98	400	50,931	202,919
MARATHON POWER LLC	4,015	15,330	84,137	333,929
MPOWER ENERGY LLC	2	29	7,207	25,961
NYSEG	63	232	1,304	5,283
DANSKAMMER ENERGY LLC	(5,231)	(44,503)	6,191	24,435
SUNSEA ENERGY LLC	5	18	3,485	13,890
OTHER *	14	61	14	61
TOTAL	30,585	140,749	1,683,862	6,790,245
TOTAL SALES FOR RESALE	30,585	161,549	2,044,558	7,469,086

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
 QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION
 FOR QUARTER ENDED SEPTEMBER 30, 2021
 SCHEDULE B-1 - GENERATING STATIONS - KWHRS. & FUEL COST

<u>Plant Name & Location</u>	<u>July 2021</u>		<u>August 2021</u>		<u>September 2021</u>	
	<u>Fuel Cost</u>	<u>Kwh.</u>	<u>Fuel Cost</u>	<u>Kwh.</u>	<u>Fuel Cost</u>	<u>Kwh.</u>
<u>Hydraulic Power</u>						
High Falls - High Falls, NY		785,000		518,000		792,000
Sturgeon Pool - Rifton, NY		3,086,000		2,526,000		6,125,000
Dashville - Rifton, NY		1,149,000		875,000		1,815,000
Total Hydraulic	0	5,020,000	0	3,919,000	0	8,732,000
<u>Generator</u>						
Frost Valley Diesel	1,135	6,000	119	1,786	0	1,714
Total	1,135	6,000	119	1,786	0	1,714
<u>Turbines</u>						
Coxsackie - W. Coxsackie, NY						
Oil	0 }	0	0 }	0	0 }	0
Gas	16,645 }	148,000	9,171 }	96,000	0 }	0
Cairo - S. Cairo, NY						
Gas	19,248	62,000	0	28,000	9,484	0
Total Turbines	35,893	210,000	9,171	124,000	9,484	0
Total	37,028	5,236,000	9,290	4,044,786	9,484	8,733,714
Fuel Costs Deferred - Net	0		0		0	
Production Fuel Expense	37,028		9,290		9,484	

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION
FOR QUARTER ENDED SEPTEMBER 30, 2021
SCHEDULE B-1 - GENERATING STATIONS - KWHRS. & FUEL COST

<u>Plant Name & Location</u>	<u>Total for Quarter</u>		<u>12 Months End Sept 30, 2021</u>	
	<u>Fuel Cost</u>	<u>Kwh.</u>	<u>Fuel Cost</u>	<u>Kwh.</u>
<u>Hydraulic Power</u>				
High Falls - High Falls, NY		2,095,000		3,939,000
Sturgeon Pool - Rifton, NY		11,737,000		47,353,511
Dashville - Rifton, NY		3,839,000		15,902,903
Total Hydraulic	0	17,671,000	0	67,195,414
<u>Generator</u>				
Frost Valley Diesel	1,254	9,500	1,959	10,850
Total	1,254	9,500	1,959	10,850
<u>Turbines</u>				
Coxsackie - W. Coxsackie, NY				
Oil	0 }	0	0 }	0
Gas	25,816 }	244,000	71,250 }	711,040
Cairo - S. Cairo, NY				
Gas	28,732	90,000	92,545	272,020
Total Turbines	54,548	334,000	163,795	983,060
Total	55,802	18,014,500	165,754	68,189,324
Fuel Costs Deferred - Net	0		0	
Production Fuel Expense	55,802		165,754	

Central Hudson Gas and Electric Corporation
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Schedule C-1 Purchased Electric

Seller	July 2021				Cost per Kwh. (Cents)
	Kwh	Demand Charges	Energy Charges	Total	
Accent Energy Midwest LLC	0		0	0	0.00
BP ENERGY	0		0	0	0.00
Brookfield Power	0		0	0	0.00
CPV Valley LLC	0		450,000	450,000	0.00
Citigroup Energy Inc.	0		0	0	0.00
CCI Caselton ICAP	0		767,500	767,500	0.00
Constellation Power Source	0		0	0	0.00
DB Energy Trading LLC	0		0	0	0.00
Dutchess County Resource Recovery Agency	3,657,840		219,470	219,470	6.00
Dynegy Power Marketing LLC	0		0	0	0.00
CCI Roseton LLC	399		24	24	6.02
Energetix Inc.	0		0	0	0.00
Entergy Nuclear Fitzpatrick LLC	0		0	0	0.00
Entergy Solutions Supply LTD	0		0	0	0.00
GA Global Markets LLC	0		0	0	0.00
GFI Brokers LLC	0		0	0	0.00
HQ Energy Services US	0		0	0	0.00
Hydro Technologies / Wallkill Hydro	0		0	0	0.00
ICAP Energy LLC	0		0	0	0.00
IDT Energy Inc.	0		0	0	0.00
INFA Energy Brokers	0		0	0	0.00
J P Morgan Ventures Energy Corp.	0		0	0	0.00
Lower Saranac Corporation / Grovesville	0		0	0	0.00
Macquarie Energy LLC	0		0	0	0.00
Merrill Lynch Commodities Inc.	0		0	0	0.00
Montgomery Worsteds Mills	0		0	0	0.00
National Grid - Borderline	7,934		1,041	1,041	13.12
Net Meter Refunds	5,359,396		625,076	625,076	11.66
New York Independent System Operator	261,935,830		13,784,579	13,784,579	5.26
New York State Electric & Gas Corp - Borderline	207,743		22,320	22,320	10.74
NextEra Energy Power Marketing LLC	0		0	0	0.00
NRG Power Marketing Inc.	0		0	0	0.00
Orange & Rockland Utilities, Inc. - Sugarloaf (1)	0		39	39	0.00
Orange & Rockland Utilities, Inc. - Borderline	0		0	0	0.00
Public Service Electric & Gas	0		133,409	133,409	0.00
Rivers Electric Co Inc. / Mill Pond Hydro	81,821		4,909	4,909	6.00
Salisbury Hydro Associates	68,102		4,086	4,086	6.00
Sempra Energy Trading LLC	0		0	0	0.00
Shell Energy North America (US) LP	0		0	0	0.00
Southwest Business Corporation	0		0	0	0.00
Spectron Energy Inc.	0		0	0	0.00
TFS Energy LLC	0		9,855	9,855	0.00
Value Stack	0		0	0	0.00
West Delaware Hydro Associates LP / Brascan Energy	0		0	0	0.00
Windsor Machinery Company	1,000,225		60,014	60,014	6.00
Munich RE	0		0	0	0.00
Swiss RE Outage Insurance	0		0	0	0.00
Exelon Icap	0		340,783	340,783	0.00
Cargill	0		0	0	0.00
AXPO US	0		0	0	0.00
Dynegy Danskammer	0		0	0	0.00
Trident Brokerage	0		0	0	0.00
Mercuria	0		583,750	583,750	0.00
Renewable Energy Credits/ Zero Emission	0		1,193,770	1,193,770	0.00
Value Stack	9,315,192		560,424	560,424	6.02
Total Electricity Purchased	281,634,482	0	18,761,049	18,761,049	6.66
Cost of Purchased Electric Deferred - Net (2)			(5,801,974)	(5,801,974)	
Total Purchased Electric Expense	281,634,482	0	12,959,075	12,959,075	4.60

SEE SHEET 6 FOR FOOTNOTES

Central Hudson Gas and Electric Corporation
Quarterly Report to the Public Service Commission
For the Quarter Ended September 30, 2021
Schedule C-1 Purchased Electric

August 2021					
Seller	Kwh	Demand Charges	Energy Charges	Total	Cost per Kwh. (Cents)
Accent Energy Midwest LLC	0		0	0	0.00
BP ENERGY	0		0	0	0.00
Brookfield Power	0		0	0	0.00
CPV Valley LLC	0		450,000	450,000	0.00
Citigroup Energy Inc.	0		0	0	0.00
CCI Caselton ICAP	0		767,500	767,500	0.00
Constellation Power Source	0		0	0	0.00
DB Energy Trading LLC	0		0	0	0.00
Dutchess County Resource Recovery Agency	2,777,170		166,630	166,630	6.00
Dynegy Power Marketing LLC	0		0	0	0.00
CCI Roseton LLC	387		23	23	5.94
Energetix Inc.	0		0	0	0.00
Entergy Nuclear Fitzpatrick LLC	0		0	0	0.00
Entergy Solutions Supply LTD	0		0	0	0.00
GA Global Markets LLC	0		0	0	0.00
GFI Brokers LLC	0		0	0	0.00
HQ Energy Services US	0		0	0	0.00
Hydro Technologies / Walkill Hydro	0		0	0	0.00
ICAP Energy LLC	0		0	0	0.00
IDT Energy Inc.	0		0	0	0.00
INFA Energy Brokers	0		0	0	0.00
J P Morgan Ventures Energy Corp.	0		0	0	0.00
Lower Saranac Corporation / Groveville	0		0	0	0.00
Macquarie Energy LLC	0		0	0	0.00
Merrill Lynch Commodities Inc.	0		0	0	0.00
Montgomery Worsteds Mills	0		0	0	0.00
National Grid - Borderline	11,729		1,580	1,580	13.47
Net Meter Refunds	6,207,914		839,451	839,451	13.52
New York Independent System Operator	269,086,240		15,633,723	15,633,723	5.81
New York State Electric & Gas Corp - Borderline	289,456		27,863	27,863	9.63
NextEra Energy Power Marketing LLC	0		0	0	0.00
NRG Power Marketing Inc.	0		0	0	0.00
Orange & Rockland Utilities, Inc. - Sugarloaf (1)	64		48	48	75.00
Orange & Rockland Utilities, Inc. - Borderline	2,126		43	43	2.02
Public Service Electric & Gas	0		(374,853)	(374,853)	0.00
Rivers Electric Co Inc. / Mill Pond Hydro	54,470		3,268	3,268	6.00
Salisbury Hydro Associates	15,997		960	960	6.00
Sempra Energy Trading LLC	0		0	0	0.00
Shell Energy North America (US) LP	0		0	0	0.00
Southwest Business Corporation	0		0	0	0.00
Spectron Energy Inc.	0		0	0	0.00
TFS Energy LLC	0		0	0	0.00
Value Stack	0		0	0	0.00
West Delaware Hydro Associates LP / Brascan Energy	0		0	0	0.00
Windsor Machinery Company	342,508		20,550	20,550	6.00
Munich RE	0		0	0	0.00
Swiss RE Outage Insurance	0		0	0	0.00
Exelon Icap	0		(1,232,776)	(1,232,776)	0.00
Cargill	0		0	0	0.00
AXPO US	0		0	0	0.00
Dynegy Danskammer	0		0	0	0.00
Trident Brokerage	0		0	0	0.00
Mercuria	0		583,750	583,750	0.00
Renewable Energy Credits/ Zero Emission	0		1,198,897	1,198,897	0.00
Value Stack	16,496,734		1,554,670	1,554,670	9.42
Total Electricity Purchased	295,284,795	0	19,641,327	19,641,327	6.65
Cost of Purchased Electric Deferred - Net (2)			(3,321,755)	(3,321,755)	
Total Purchased Electric Expense	295,284,795	0	16,319,572	16,319,572	5.53

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Central Hudson Gas and Electric Corporation
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Seller	September 2021				Cost per Kwh. (Cents)
	Kwh	Demand Charges	Energy Charges	Total	
Accent Energy Midwest LLC	0		0	0	0.00
BP ENERGY	0		0	0	0.00
Brookfield Power	0		0	0	0.00
CPV Valley LLC	0		450,000	450,000	0.00
Citigroup Energy Inc.	0		0	0	0.00
CCI Caselton ICAP	0		767,500	767,500	0.00
Constellation Power Source	0		0	0	0.00
DB Energy Trading LLC	0		0	0	0.00
Dutchess County Resource Recovery Agency	3,867,460		232,048	232,048	6.00
Dynegy Power Marketing LLC	0		0	0	0.00
CCI Roseton LLC	389		23	23	5.91
Energetix Inc.	0		0	0	0.00
Entergy Nuclear Fitzpatrick LLC	0		0	0	0.00
Entergy Solutions Supply LTD	0		0	0	0.00
GA Global Markets LLC	0		0	0	0.00
GFI Brokers LLC	0		0	0	0.00
HQ Energy Services US	0		0	0	0.00
Hydro Technologies / Wallkill Hydro	0		0	0	0.00
ICAP Energy LLC	0		0	0	0.00
IDT Energy Inc.	0		0	0	0.00
INFA Energy Brokers	0		0	0	0.00
J P Morgan Ventures Energy Corp.	0		0	0	0.00
Lower Saranac Corporation / Grovesville	0		0	0	0.00
Macquarie Energy LLC	0		0	0	0.00
Merrill Lynch Commodities Inc.	0		0	0	0.00
Montgomery Worsted Mills	0		0	0	0.00
National Grid - Borderline	9,276		1,332	1,332	14.36
Net Meter Refunds	3,907,197		521,109	521,109	13.34
New York Independent System Operator	192,788,020		11,435,623	11,435,623	5.93
New York State Electric & Gas Corp - Borderline	193,650		21,738	21,738	11.23
NextEra Energy Power Marketing LLC	0		0	0	0.00
NRG Power Marketing Inc.	0		0	0	0.00
Orange & Rockland Utilities, Inc. - Sugarloaf (1)	77		49	49	63.64
Orange & Rockland Utilities, Inc. - Borderline	0		0	0	0.00
Public Service Electric & Gas	0		20,749	20,749	0.00
Rivers Electric Co Inc. / Mill Pond Hydro	285,541		17,132	17,132	6.00
Salisbury Hydro Associates	108,323		6,499	6,499	6.00
Sempra Energy Trading LLC	0		0	0	0.00
Shell Energy North America (US) LP	0		0	0	0.00
Southwest Business Corporation	0		0	0	0.00
Spectron Energy Inc.	0		0	0	0.00
TFS Energy LLC	0		3,285	3,285	0.00
Value Stack	0		0	0	0.00
West Delaware Hydro Associates LP / Brascan Energy	0		0	0	0.00
Windsor Machinery Company	1,123,076		67,385	67,385	6.00
Munich RE	0		0	0	0.00
Swiss RE Outage Insurance	0		0	0	0.00
Exelon Icap	0		42,500	42,500	0.00
Cargill	0		0	0	0.00
AXPO US	0		0	0	0.00
Dynegy Danskammer	0		0	0	0.00
Trident Brokerage	0		0	0	0.00
Mercuria	0		583,750	583,750	0.00
Renewable Energy Credits/ Zero Emission	0		946,143	946,143	0.00
Value Stack	9,315,192		557,317	557,317	5.98
Total Electricity Purchased	211,598,201	0	15,674,182	15,674,182	7.41
Cost of Purchased Electric Deferred - Net (2)			1,210,350	1,210,350	
Total Purchased Electric Expense	211,598,201	0	16,884,532	16,884,532	7.98

SEE SHEET 6 FOR FOOTNOTES

Central Hudson Gas and Electric Corporation
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			3rd Quarter 2021		
Seller	Kwh	Demand Charges	Energy Charges	Total	Cost per Kwh. (Cents)
Accent Energy Midwest LLC	0	0	0	0	0.00
BP ENERGY	0	0	0	0	0.00
Brookfield Power	0	0	0	0	0.00
CPV Valley LLC	0		1,350,000	1,350,000	0.00
Citigroup Energy Inc.	0	0	0	0	0.00
CCI Caselton ICAP	0		2,302,500	2,302,500	0.00
Constellation Power Source	0	0	0	0	0.00
DB Energy Trading LLC	0	0	0	0	0.00
Dutchess County Resource Recovery Agency	10,302,470	0	618,148	618,148	6.00
Dynegy Power Marketing LLC	0	0	0	0	0.00
CCI Roseton LLC	1,175	0	70	70	5.96
Energetix Inc.	0	0	0	0	0.00
Entergy Nuclear Fitzpatrick LLC	0	0	0	0	0.00
Entergy Solutions Supply LTD	0	0	0	0	0.00
GA Global Markets LLC	0	0	0	0	0.00
GFI Brokers LLC	0	0	0	0	0.00
HQ Energy Services US	0	0	0	0	0.00
Hydro Technologies / Wallkill Hydro	0	0	0	0	0.00
ICAP Energy LLC	0	0	0	0	0.00
IDT Energy Inc.	0	0	0	0	0.00
INFA Energy Brokers	0	0	0	0	0.00
J P Morgan Ventures Energy Corp.	0	0	0	0	0.00
Lower Saranac Corporation / Groveville	0	0	0	0	0.00
Macquarie Energy LLC	0	0	0	0	0.00
Merrill Lynch Commodities Inc.	0	0	0	0	0.00
Montgomery Worsteds Mills	0	0	0	0	0.00
National Grid - Borderline	28,939	0	3,953	3,953	13.66
Net Meter Refunds	15,474,507	0	1,985,636	1,985,636	12.83
New York Independent System Operator	723,810,090	0	40,853,925	40,853,925	5.64
New York State Electric & Gas Corp - Borderline	690,849	0	71,921	71,921	10.41
NextEra Energy Power Marketing LLC	0	0	0	0	0.00
NRG Power Marketing Inc.	0	0	0	0	0.00
Orange & Rockland Utilities, Inc. - Sugarloaf (1)	141	0	136	136	96.45
Orange & Rockland Utilities, Inc. - Borderline	2,126	0	43	43	2.02
Public Service Electric & Gas	0	0	(220,695)	(220,695)	0.00
Rivers Electric Co Inc. / Mill Pond Hydro	421,832	0	25,309	25,309	6.00
Salisbury Hydro Associates	192,422	0	11,545	11,545	6.00
Sempra Energy Trading LLC	0	0	0	0	0.00
Shell Energy North America (US) LP	0	0	0	0	0.00
Southwest Business Corporation	0	0	0	0	0.00
Spectron Energy Inc.	0	0	0	0	0.00
TFS Energy LLC	0	0	13,140	13,140	0.00
Value Stack	0	0	0	0	0.00
West Delaware Hydro Associates LP / Brascan Energy	0	0	0	0	0.00
Windsor Machinery Company	2,465,809	0	147,949	147,949	6.00
Munich RE	0	0	0	0	0.00
Swiss RE Outage Insurance	0	0	0	0	0.00
Exelon Icap	0	0	(849,493)	(849,493)	0.00
Cargill	0	0	0	0	0.00
AXPO US	0	0	0	0	0.00
Dynegy Danskammer	0	0	0	0	0.00
Trident Brokerage	0	0	0	0	0.00
Mercuria	0	0	1,751,250	1,751,250	0.00
Renewable Energy Credits/ Zero Emmission	0	0	3,338,810	3,338,810	0.00
Value Stack	35,127,118	0	2,672,411	2,672,411	7.61
Total Electricity Purchased	788,517,478	0	54,076,558	54,076,558	6.86
Cost of Purchased Electric Deferred - Net (2)	0	0	(7,913,379)	(7,913,379)	
Total Purchased Electric Expense	788,517,478	0	46,163,179	46,163,179	5.85

SEE SHEET 6 FOR FOOTNOTES

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For the Quarter Ended September 30, 2021
Schedule C-1 Purchased Electric

Seller	12 Mos Ended September 30 2021				
	Kwh	Demand Charges	Energy Charges	Total	Cost per Kwh. (Cents)
Accent Energy Midwest LLC	0	0	0	0	0.00
BP ENERGY	0	0	0	0	0.00
Brookfield Power	0	0	297,500	297,500	0.00
CPV Valley LLC	0	0	2,989,814	2,989,814	0.00
Citigroup Energy Inc.	0	0	0	0	0.00
CCI Caselton ICAP	0	0	8,725,250	8,725,250	0.00
Constellation Power Source	0	0	0	0	0.00
DB Energy Trading LLC	0	0	0	0	0.00
Dutchess County Resource Recovery Agency	41,015,680	0	2,460,941	2,460,941	6.00
Dynegy Power Marketing LLC	0	0	0	0	0.00
CCI Roseton LLC	40,919	0	2,454	2,454	6.00
Energetix Inc.	0	0	0	0	0.00
Energy Nuclear Fitzpatrick LLC	0	0	0	0	0.00
Energy Solutions Supply LTD	0	0	0	0	0.00
GA Global Markets LLC	0	0	0	0	0.00
GFI Brokers LLC	0	0	0	0	0.00
HQ Energy Services US	0	0	0	0	0.00
Hydro Technologies / Wallkill Hydro	0	0	0	0	0.00
ICAP Energy LLC	0	0	0	0	0.00
IDT Energy Inc.	0	0	0	0	0.00
INFA Energy Brokers	0	0	0	0	0.00
J P Morgan Ventures Energy Corp.	0	0	0	0	0.00
Lower Saranac Corporation / Grovesville	0	0	0	0	0.00
Macquarie Energy LLC	0	0	0	0	0.00
Merrill Lynch Commodities Inc.	0	0	0	0	0.00
Montgomery Worsteds Mills	0	0	0	0	0.00
National Grid - Borderline	125,138	0	14,043	14,043	11.22
Net Meter Refunds	46,104,099	0	5,972,759	5,972,759	12.95
New York Independent System Operator	2,715,790,164	0	122,405,075	122,405,075	4.51
New York State Electric & Gas Corp - Borderline	3,664,207	0	304,507	304,507	8.31
NextEra Energy Power Marketing LLC	0	0	0	0	0.00
NRG Power Marketing Inc.	0	0	798,000	798,000	0.00
Orange & Rockland Utilities, Inc. - Sugarloaf (1)	11,036	0	1,941	1,941	0.00
Orange & Rockland Utilities, Inc. - Borderline	11,864	0	410	410	3.46
Public Service Electric & Gas	0	0	(1,079,339)	(1,079,339)	0.00
Rivers Electric Co Inc. / Mill Pond Hydro	1,721,711	0	105,104	105,104	6.10
Salisbury Hydro Associates	1,185,585	0	71,135	71,135	6.00
Sempra Energy Trading LLC	0	0	0	0	0.00
Shell Energy North America (US) LP	0	0	0	0	0.00
Southwest Business Corporation	0	0	0	0	0.00
Spectron Energy Inc.	0	0	0	0	0.00
TFS Energy LLC	0	0	19,710	19,710	0.00
Value Stack	0	0	0	0	0.00
West Delaware Hydro Associates LP / Brascan Energy	0	0	0	0	0.00
Windsor Machinery Company	9,537,318	0	572,240	572,240	6.00
Munich RE	0	0	677,500	677,500	0.00
Swiss RE Outage Insurance	0	0	0	0	0.00
Exelon Icap	0	0	494,029	494,029	0.00
Cargill	0	0	0	0	0.00
AXPO US	0	0	(544,198)	(544,198)	0.00
Dynegy Danskammer	0	0	0	0	0.00
Trident Brokerage	0	0	0	0	0.00
Mercuria	0	0	6,771,250	6,771,250	0.00
Renewable Energy Credits/ Zero Emission	0	0	10,000,765	10,000,765	0.00
Value Stack	79,007,590	0	4,168,687	4,168,687	5.28
Total Electricity Purchased	2,898,215,311	0	165,229,577	165,229,577	5.70
Cost of Purchased Electric Deferred - Net (2)	0		(11,086,172)	(11,086,172)	
Total Purchased Electric Expense	2,898,215,311	0	154,143,405	154,143,405	5.32

SEE SHEET 6 FOR FOOTNOTES

Central Hudson Gas and Electric Corporation
Quarterly Report to the Public Service Commission
For the Quarter Ended September 30, 2021
Schedule C-1 Purchased Electric

- (1) Includes purchases for incidental use by respondent for operation of equipment at Sugarloaf station.
- (2) Represents the net effect of deferred accounting for purchased power costs. Under authority of the Public Service Commission ("PSC"), the Company is authorized to fully recover all commodity related purchased power costs under the provisions of its Energy Cost Adjustment Mechanism. This authorization is currently provided under PSC Order issued October 25, 2001, in CASE 00-E-1273.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
 QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION
 FOR QUARTER ENDED SEPTEMBER 30, 2021
 SCHEDULE C-2 - PURCHASED GAS

Sheet 1 of 3

Line No.	Company Natural Gas Purchased (1)	July 2021			August 2021			September 2021		
		DTH	Cost	Cost Per DTH	DTH	Cost	Cost Per DTH	DTH	Cost	Cost Per DTH
1	ALBERTA NORTHEAST	0	214,848	-	0	208,402	-	0	211,540	-
2	ALGONQUIN GAS TRANSMISSION	(16,995)	58,615	(3.45)	(14,256)	108,304	(7.60)	2,925	106,903	36.55
3	AMERADA HESS	0	0	-	0	0	-	0	0	-
4	BG ENERGY MERCHANTS	0	0	-	0	0	-	0	0	-
5	BP ENERGY	0	0	-	0	0	-	0	0	-
6	CENTRAL NEW YORK OIL & GAS	0	36,500	-	0	36,500	-	0	36,500	-
7	CHESAPEAKE APPALACHIAN	0	0	-	0	0	-	0	0	-
8	COLONIAL	0	0	-	0	0	-	0	0	-
9	COLUMBIA GAS TRANSMISSION CORP.	0	188,816	-	0	189,675	-	0	189,786	-
10	COLUMBIA GULF TRANSMISSION	0	0	-	0	0	-	0	0	-
11	EASTERN GAS	0	22,957	-	0	22,957	-	0	22,957	-
12	DTE ENERGY TRADING	0	0	-	0	0	-	0	0	-
13	EMERA	0	0	-	0	0	-	0	0	-
14	HESS CORPORATION	0	0	-	0	0	-	0	0	-
15	IROQUOIS GAS	0	166,534	-	0	166,534	-	0	166,534	-
16	MACQUARIE ENERGY	0	0	-	0	0	-	0	0	-
17	MILLENNIUM PIPELINE	0	173,600	-	0	173,600	-	0	168,000	-
18	NJR ENERGY SERVICES	0	0	-	0	0	-	0	0	-
19	OCCIDENTAL ENERGY	0	0	-	0	0	-	0	0	-
20	ORANGE & ROCKLAND UTILITIES	0	0	-	0	0	-	0	0	-
21	PENN-YORK ENERGY CORP.	0	55,476	-	0	55,476	-	0	55,420	-
22	TWIN EAGLE RESOURCE	0	0	-	0	0	-	0	0	-
23	SHELL ENERGY NORTH AMERICA	0	0	-	0	0	-	0	0	-
24	SPRAGUE OPERATING RESOURCES	0	0	-	0	0	-	0	0	-
25	TENNESSEE GAS PIPELINE CO.	193	267,421	-	436	270,097	-	93	267,811	-
26	TENNESSEE COLUMBIA REFUNDS	0	0	-	0	0	-	0	0	-
27	TEXAS EASTERN TRANSMISSION CORP.	0	57,713	-	0	57,852	-	0	57,852	-
28	UNIPER	0	0	-	0	0	-	0	0	-
29	CABOT	0	0	-	0	0	-	0	0	-
30	DIRECT	0	0	-	0	0	-	0	0	-
31	MERCURIA	0	0	-	0	0	-	0	0	-
32	CCI	185,797	522,102	2.81	185,979	601,524	3.23	179,834	640,800	3.56
33	REPSOL	0	0	-	0	0	-	0	0	-
34	SWN	0	0	-	0	0	-	0	0	-
35	TENASKA	402,973	1,160,858	2.88	402,984	1,254,768	3.11	400,168	1,477,614	3.69
36	Outage/Weather	0	0	-	0	0	-	0	0	-
37	PWC	0	0	-	0	0	-	0	0	-
38	Orange & Rockland Borderline	0	0	-	7	10	1.39	5	21	4.09
39	AGWAY ENERGY	45	142	3.14	29	108	3.75	125	563	4.49
40	ASTRAL ENERGY	17	52	2.98	5	19	3.70	11	49	4.34
41	BLUEROCK	0	0	-	0	0	-	0	0	-
42	CITIZENS CHOICE	15	49	3.18	0	0	-	38	170	4.47
43	COLONIAL ENERGY	0	0	-	0	0	-	0	0	-
44	COLUMBIA UTILITIES	36	111	3.09	45	178	3.93	102	460	4.52
45	DIRECT ENERGY	0	0	-	0	0	-	160	719	4.49
46	CONSTELLATION NEW ENERGY	0	0	-	0	0	-	0	0	-
47	ENERGETIX	0	0	-	0	0	-	0	0	-
48	FAMILY ENERGY	515	1,604	3.12	399	1,553	3.89	2,105	9,497	4.51
49	GREAT AMERICAN ENERGY	345	1,074	3.11	0	0	-	390	1,760	4.51
50	PLATTS	0	0	-	0	0	-	0	0	-
51	PLYMOUTH ROCK ENERGY	1,048	2,709	2.59	959	3,598	3.75	606	2,734	4.51
52	RESIDENTS ENERGY	0	0	-	0	0	-	2	13	6.33
53	KIWI ENERGY	96	296	3.10	183	711	3.88	123	554	4.49
54	MERCURIA /JP MORGAN	0	0	-	0	0	-	0	0	-
55	NYSEG	86	210	2.43	0	0	-	0	0	-
56	JOSCO	6	19	3.08	17	70	4.00	6	27	4.38
57	Danskammer Energy	2,644	5,933	2.24	0	0	-	0	0	-
58	Atlantic Energy	58	179	3.11	17	66	3.78	48	219	4.54
59	Median Energy	0	0	-	20	77	3.94	10	45	4.38
60	Marathon Power Gas	0	0	-	0	0	-	381	1,711	4.49
61	MPOWER	18	59	3.19	35	139	3.98	62	277	4.49
62	AMERICAN POWER	78	244	3.13	64	247	3.87	61	272	4.49
63	CONSTELLATION ENERGY GAS CHOICE (Formerly MX ENERGY	160	500	3.12	277	1,074	3.88	61	272	4.49
64	GATEWAY ENERGY	46	145	3.14	21	81	3.94	63	281	4.48
65	GLACIAL NATURAL GAS	0	0	-	0	0	-	0	0	-
66	GREENLIGHT ENERGY	0	0	-	0	0	-	0	0	-
67	HESS CORPORATION	0	0	-	0	0	-	0	0	-
68	DIRECT ENERGY BUSINESS MARKETING	8,602	26,707	3.10	3,852	14,872	3.86	6,306	28,348	4.50
69	HIKO ENERGY	0	0	-	0	0	-	0	0	-
70	HUDSON ENERGY SERVICES	0	0	-	287	1,116	3.89	51	232	4.52
71	IDT ENERGY	76	234	3.08	43	166	3.84	1,114	5,007	4.50
72	INTELLIGENT ENERGY	0	0	-	0	0	-	0	0	-
73	IGS ENERGY (INTERSTATE GAS)	0	0	-	0	0	-	0	0	-
74	JUST ENERGY	10	31	3.02	0	0	-	86	389	4.51
75	MAJOR ENERGY SERVICES	14	43	2.99	28	104	3.75	1,096	4,949	4.51
76	METROMEDIA ENERGY	0	0	-	0	0	-	0	0	-
77	M&R ENERGY	0	0	-	0	0	-	339	1,523	4.49
78	UGI ENERGY SERVICES	166	515	3.09	1,506	5,519	3.67	503	2,005	3.98
79	US GAS & ELECTRIC	81	253	3.12	116	448	3.86	279	1,260	4.51
80	VIRIDIAN ENERGY	576	1,792	3.11	467	1,815	3.89	1,762	7,933	4.50
81	ALPHA GAS & ELECTRIC	12	40	3.24	25	97	3.93	0	0	-
82	DIRECT ENERGY BUSINESS	0	0	-	0	0	-	0	0	-
83	NORTH AMERICAN POWER	0	0	-	0	0	-	0	0	-
84	AMPLIFIED POWER & GAS	0	0	-	0	0	-	0	0	-

85	SUNSEA ENERGY	0	0	-	20	77	3.94	2,062	9,269	4.50
86	HESS ENERGY MARKETING	0	0	-	0	0	-	0	0	-
87	SPRAGUE	2,198	6,824	3.11	1,024	3,851	3.76	2,470	11,100	4.49
88	XOOM	74	231	3.12	108	417	3.86	126	567	4.49
89	CCI ROSETON	0	21,870	-	0	2,164	-	0	38,675	-
90	East Coast Power & Gas	0	0	-	0	0	-	0	0	-
91	GAS HEDGING ACTIVITY	0	0	-	0	0	-	0	0	-
	Subtotal	588,994	2,997,306	5.09	584,697	3,184,266	5.45	603,576	3,532,618	5.85
	Purchased Gas Costs Deferred (2)		(742,559)	-		(905,708)	-		(700,549)	-
	Total Purchased Gas Expense (Account 803)	588,994	2,254,747	3.83	584,697	2,278,558	3.90	603,576	2,832,069	4.69
	Gas Withdrawn from Storage-Debit (Account 808.10)	0	969	-	0	0	-	0	0	-
	Gas Delivered to Storage-Credit (Account 808.20)	(419,938)	(1,229,962)	2.93	(420,147)	(1,325,473)	3.15	(407,276)	(1,515,616)	3.72
	Total Gas Supply Expense	169,056	1,025,754	6.07	164,551	953,085	5.79	196,300	1,316,453	6.71

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
 QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION
 FOR QUARTER ENDED SEPTEMBER 30, 2021
 SCHEDULE C-2 - PURCHASED GAS

Sheet 2 of 3

Line No.	Company Natural Gas Purchased (1)	Total for 3rd Quarter			12 Months September 2021		
		DTH	Cost	Cost Per DTH	DTH	Cost	Cost Per DTH
1	ALBERTA NORTHEAST	0	634,790	-	2,033,975	8,339,302	4.10
2	ALGONQUIN GAS TRANSMISSION	(28,325)	273,822	(9.67)	(31,265)	1,323,896	(42.34)
3	AMERADA HESS	0	0	-	0	0	-
4	BG ENERGY MERCHANTS	0	0	-	0	0	-
5	BP ENERGY	0	0	-	0	0	-
6	CENTRAL NEW YORK OIL & GAS	0	109,500	-	0	438,000	-
7	CHESAPEAKE APPALACHIAN	0	0	-	0	0	-
8	COLONIAL	0	0	-	0	0	-
9	COLUMBIA GAS TRANSMISSION CORP.	0	568,277	-	0	1,984,974	-
10	COLUMBIA GULF TRANSMISSION	0	0	-	0	0	-
11	EASTERN GAS	0	68,871	-	0	358,076	-
12	DTE ENERGY TRADING	0	0	-	0	0	-
13	EMERA	0	0	-	0	0	-
14	HESS CORPORATION	0	0	-	0	0	-
15	IROQUOIS GAS	0	499,602	-	0	1,998,414	-
16	MACQUARIE ENERGY	0	0	-	0	0	-
17	MILLENNIUM PIPELINE	0	515,200	-	0	2,042,155	-
18	NJR ENERGY SERVICES	0	0	-	0	0	-
19	OCCIDENTAL ENERGY	0	0	-	0	0	-
20	ORANGE & ROCKLAND UTILITIES	0	0	-	0	0	-
21	PENN-YORK ENERGY CORP.	0	166,372	-	0	668,009	-
22	TWIN EAGLE RESOURCE	0	0	-	726,478	3,545,395	4.88
23	SHELL ENERGY NORTH AMERICA	0	0	-	191,691	342,907	1.79
24	SPRAGUE OPERATING RESOURCES	0	0	-	0	0	-
25	TENNESSEE GAS PIPELINE CO.	723	805,329	-	1,548	3,272,755	-
26	TENNESSEE COLUMBIA REFUNDS	0	0	-	0	0	-
27	TEXAS EASTERN TRANSMISSION CORP.	0	173,417	-	0	695,202	-
28	UNIPER	0	0	-	0	0	-
29	CABOT	0	0	-	0	0	-
30	DIRECT	0	0	-	612,647	2,446,769	3.99
31	MERCURIA	0	0	-	0	0	-
32	CCI	551,610	1,764,426	3.20	3,633,469	8,091,777	2.23
33	REPSOL	0	0	-	0	0	0.00
34	SWN	0	0	-	0	0	0.00
35	TENASKA	1,206,125	3,893,240	3.23	3,187,016	9,015,432	2.83
36	Outage/Weather	0	0	-	0	1,619,120	-
37	PWC	0	0	-	0	15,000	-
38	Orange & Rockland Borderline	12	31	2.51	1,277	4,629	3.62
39	AGWAY ENERGY	199	813	4.08	2,076	4,609	2.22
40	ASTRAL ENERGY	34	120	3.54	265	631	2.38
41	BLUEROCK	0	0	-	0	0	-
42	CITIZENS CHOICE	53	219	4.10	1,615	3,588	2.22
43	COLONIAL ENERGY	0	0	-	0	0	-
44	COLUMBIA UTILITIES	183	749	4.09	302	1,021	3.38
45	DIRECT ENERGY	160	719	4.49	11,283	26,511	2.35
46	CONSTELLATION NEW ENERGY	0	0	-	0	0	-
47	ENERGETIX	0	0	-	0	0	-
48	FAMILY ENERGY	3,019	12,654	4.19	30,370	75,132	2.47
49	GREAT AMERICAN ENERGY	736	2,834	3.85	767	2,914	3.80
50	PLATTS	0	0	-	0	89,360	-
51	PLYMOUTH ROCK ENERGY	2,614	9,041	3.46	16,774	43,853	2.61
52	RESIDENTS ENERGY	2	13	6.33	503	1,260	2.50
53	KIWI ENERGY	402	1,561	3.88	3,385	8,725	2.58
54	MERCURIA /JP MORGAN	0	0	-	1,312	0	0.00
55	NYSEG	86	210	2.43	2,849	8,224	2.89
56	JOSCO	30	116	3.89	680	1,706	2.51
57	Danskammer Energy	2,644	5,933	2.24	3,110	6,526	2.10
58	Atlantic Energy	123	464	3.76	2,672	6,435	2.41
59	Median Energy	30	122	4.09	329	761	2.31
60	Marathon Power Gas	381	1,711	4.49	29,754	64,405	2.16
61	MPOWER	115	475	4.13	2,390	5,775	2.42
62	AMERICAN POWER	202	763	3.77	16,487	38,858	2.36
63	CONSTELLATION ENERGY GAS CHOICE (Formerly MX ENERGY	498	1,846	3.71	13,932	34,841	2.50
64	GATEWAY ENERGY	129	507	3.92	1,955	4,800	2.45
65	GLACIAL NATURAL GAS	0	0	-	0	0	-
66	GREENLIGHT ENERGY	0	0	-	0	0	-
67	HESS CORPORATION	0	0	-	0	0	-
68	DIRECT ENERGY BUSINESS MARKETING	18,760	69,927	3.73	98,248	256,489	2.61
69	HIKO ENERGY	0	0	-	0	0	-
70	HUDSON ENERGY SERVICES	338	1,348	3.98	2,668	6,273	2.35
71	IDT ENERGY	1,233	5,407	4.39	4,067	12,082	2.97
72	INTELLIGENT ENERGY	0	0	-	0	0	-
73	IGS ENERGY (INTERSTATE GAS)	0	0	-	1,207	2,142	1.77
74	JUST ENERGY	97	420	4.35	4,790	10,180	2.13
75	MAJOR ENERGY SERVICES	1,138	5,096	4.48	4,911	13,923	2.84
76	METROMEDIA ENERGY	0	0	-	0	0	-
77	M&R ENERGY	339	1,523	4.49	25,526	59,637	2.34
78	UGI ENERGY SERVICES	2,175	8,039	3.70	22,463	50,099	2.23
79	US GAS & ELECTRIC	477	1,961	4.11	15,026	35,987	2.40
80	VIRIDIAN ENERGY	2,805	11,540	4.11	15,844	41,683	2.63
81	ALPHA GAS & ELECTRIC	37	137	3.70	416	939	2.26
82	DIRECT ENERGY BUSINESS	0	0	-	59,682	111,522	1.87
83	NORTH AMERICAN POWER	0	0	-	661	1,549	2.34
84	AMPLIFIED POWER & GAS	0	0	-	0	0	-

85	SUNSEA ENERGY	2,081	9,346	4.49	3,437	12,657	3.68
86	HESS ENERGY MARKETING	0	0	-	0	0	-
87	SPRAGUE	5,692	21,775	3.83	13,149	39,112	2.97
88	XOOM	308	1,215	3.94	5,931	14,038	2.37
89	CCI ROSETON	0	62,709	-	0	82,227	-
90	East Coast Power & Gas	0	0	-	0	0	-
91	GAS HEDGING ACTIVITY	0	0	-	0	(77,810)	-
	Subtotal	1,777,267	9,714,190	5.47	10,777,672	47,304,476	4.39
	Purchased Gas Costs Deferred (2)	0	(2,348,816)	-		(1,765,746)	-
	Total Purchased Gas Expense (Account 803)	1,777,267	7,365,374	4.14	10,777,672	45,538,730	4.23
	Gas Withdrawn from Storage-Debit (Account 808.10)	0	969	-	2,746,652	4,670,218	1.70
	Gas Delivered to Storage-Credit (Account 808.20)	(1,247,360)	(4,071,051)	3.26	(2,697,643)	(7,149,238)	2.65
	Total Gas Supply Expense	529,907	3,295,292	6.22	10,826,681	43,059,710	3.98

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
QUARTERLY REPORT TO THE PUBLIC SERVICE COMMISSION
FOR QUARTER ENDED SEPTEMBER 30, 2021.
SCHEDULE C-2 - PURCHASED GAS

- (1) Not less than 1000 BTU.
- (2) Represents the net effect of deferred accounting for Natural Gas costs. Under authority of the Public Service Commission ("PSC"), the Company is authorized to fully recover all commodity related and upstream pipeline demand costs under the provisions of its Gas Supply Charge Mechanism. This authorization is currently provided under PSC Order issued October 25, 2001, in CASE 00-G-1274.

NOTE 1 – Summary of Significant Accounting Policies

Corporate Structure

CH Energy Group is the holding company parent corporation of four principal, wholly owned subsidiaries, Central Hudson Gas & Electric Corporation (“Central Hudson” or the “Company”), Central Hudson Electric Transmission LLC (“CHET”), Central Hudson Enterprises Corporation (“CHEC”) and Central Hudson Gas Transmission LLC (“CHGT”). CH Energy Group’s common stock is indirectly owned by Fortis Inc. (“Fortis”), which is a leader in the North American regulated electric and gas utility industry. Central Hudson is a regulated electric and natural gas transmission and distribution utility. CH Energy Group formed CHET to hold its 6.1% ownership interest in New York Transco LLC (“Transco”). CHGT was formed to hold CH Energy Group’s ownership stake in possible gas transmission pipeline opportunities in New York State. As of September 30, 2021, there has been no activity in CHGT. CHEC has ownership interests in certain non-regulated subsidiaries that are less than 100% owned.

Basis of Presentation

This Quarterly Financial Report is a combined report of CH Energy Group and Central Hudson. The Notes to the Condensed Consolidated Financial Statements apply to both CH Energy Group and Central Hudson. CH Energy Group’s Condensed Consolidated Financial Statements include the accounts of CH Energy Group and its wholly owned subsidiaries, which include Central Hudson, CHET, CHGT and CHEC. All intercompany balances and transactions have been eliminated in consolidation.

The Condensed Consolidated Financial Statements of CH Energy Group and Condensed Financial Statements of Central Hudson are unaudited but, in the opinion of management, reflect all normal recurring adjustments, necessary for a fair statement of the results for the interim periods presented. These unaudited Quarterly Condensed Financial Statements do not contain all footnote disclosures concerning accounting policies and other matters, which are included in the December 31, 2020 audited Financial Statements and, accordingly, should be read in conjunction with the Notes thereto. The balance sheets of CH Energy Group and Central Hudson as of September 30, 2020 are included for supplemental information.

The Quarterly Condensed Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which for regulated utilities, includes specific accounting guidance for regulated operations. The same accounting policies are used to prepare both the quarterly and the annual financial statements.

Preparation of the financial statements in accordance with GAAP includes the use of estimates and assumptions by management that affect the reported amounts of assets, liabilities and the disclosures of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Current estimates as of and for the period ended September 30, 2021 reflect management’s best assumptions at this time. As with all estimates, actual results may differ from those estimated. Estimates may be subject to future uncertainties, including the continued evolution of the novel Coronavirus pandemic (“COVID-19”), which could affect the allowance for uncollectible accounts, as well as the total impact and potential recovery of incremental costs associated with COVID-19.

Estimates are also reflected for certain commitments and contingencies where there is sufficient basis to project a future obligation. Disclosures related to these certain commitments and contingencies are included in Note 13 - “Commitments and Contingencies.”

Regulatory Accounting Policies

Central Hudson is subject to cost-based rate regulation. As a result, the effects of regulatory actions are required to be reflected in the financial statements. Regulatory accounting guidance results in differences in the application of GAAP between regulated and non-regulated businesses and requires the recording of regulatory assets and liabilities for certain transactions that would have been treated as expense or revenue in non-regulated businesses. Regulated utilities, such as Central Hudson, defer costs and revenues on the balance sheet as regulatory assets and liabilities when it is probable that those costs and revenues will be recoverable/refundable through the rate-making process in a period different from when they otherwise would have been reflected in income. For Central Hudson, these deferred regulatory assets and liabilities, and the related deferred taxes, are recovered from or reimbursed to customers either by offset as directed by the New York State Public Service Commission ("PSC" or "Commission"), through an approved surcharge mechanism or through incorporation in the determination of the revenue requirement used to set new rates. Changes in regulatory assets and liabilities are reflected in the Condensed Consolidated Statement of Income in the period in which the amounts are recovered through a surcharge, are reflected in rates or when criteria for recording the revenues are met. Current accounting practices reflect the regulatory accounting authorized in Central Hudson's most recent Rate Order. See Note 4 – "Regulatory Matters" for additional information regarding regulatory accounting.

Management periodically assesses whether the regulatory assets are probable of future recovery by considering factors such as changes in the applicable regulatory and political environments, the ability to recover costs through regulated rates, recent rate orders to Central Hudson and other regulated entities, and the status of any pending or potential deregulation legislation. Based on this assessment, management believes the existing regulatory assets are probable of recovery. This assessment reflects the current political and regulatory climate at the state and federal levels and is subject to change in the future. If future recovery of costs ceases to be probable, the regulatory asset would be written-off. Additionally, the regulatory agencies can provide flexibility in the manner and timing of recovery of regulatory assets.

Seasonality

Central Hudson's operations are seasonal in nature and weather-sensitive and, as a result, financial results for interim periods are not necessarily indicative of trends for a twelve-month period. Demand for electricity typically peaks during the summer, while demand for natural gas typically peaks during the winter.

Restricted Cash

Restricted cash primarily consists of cash collected from developers and held in escrow related to a System Deliverability Upgrade project pursuant to terms and conditions of the New York Independent System Operator's ("NYISO") Open Access Transmission Tariff ("OATT").

The following tables provide a reconciliation of cash, cash equivalents and restricted cash reported on the Balance Sheets for CH Energy Group and Central Hudson that sum to the total of the same such amounts shown in the corresponding Statements of Cash Flows.

CH Energy Group

(In Thousands)

	September 30, 2021	September 30, 2020
Cash and cash equivalents	\$ 9,726	\$ 19,967
Restricted cash included in other long-term assets	11,877	1,327
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 21,603</u>	<u>\$ 21,294</u>

Central Hudson

(In Thousands)

	September 30, 2021	September 30, 2020
Cash and cash equivalents	\$ 3,628	\$ 12,583
Restricted cash included in other long-term assets	11,877	1,327
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 15,505</u>	<u>\$ 13,910</u>

Financial Instruments

Effective January 1, 2020, CH Energy Group and Central Hudson adopted accounting guidance that requires the use of reasonable and supportable forecasts in the estimate of credit losses and the recognition of expected losses upon initial recognition of a financial instrument, in addition to using past events and current conditions. CH Energy Group and Central Hudson's allowance for credit losses increased \$1.2 million as a result of the adoption of this accounting standard and was recorded as a cumulative adjustment to retained earnings effective January 1, 2020. At September 30, 2021 there are no expected credit losses on financial instruments other than those on accounts receivable and unbilled utility revenues.

Accounts Receivable and Allowance for Uncollectible Accounts

Beginning on January 1, 2020, receivables and unbilled utility revenues are carried at net realizable value based on the allowance for credit losses model. The accounts receivable balance also reflects Central Hudson's purchase of receivables from energy service companies to support the retail choice programs. The allowance for uncollectible accounts reflects management's best estimate of expected credit losses to reduce accounts receivable for amounts estimated to be uncollectible. Estimates for uncollectible accounts are based on accounts receivable aging data, as well as consideration of various quantitative and qualitative factors, including special collection issues and current and forecasted economic conditions. Interest can be charged on accounts receivable balances that have been outstanding for more than 20 days. See Note 2 – "Revenues and Receivables" for a discussion of the impact of COVID-19 on interest charges and other revenue.

Fuel, Materials & Supplies

The following is a summary of CH Energy Group's and Central Hudson's inventory of Fuel, Materials & Supplies valued using the average cost method (In Thousands):

	September 30, 2021	December 31, 2020	September 30, 2020
Fuel used in electric generation	437	373	387
Materials and supplies	23,715	23,305	24,426
Total	<u>\$ 24,152</u>	<u>\$ 23,677</u>	<u>\$ 24,812</u>

Effective August 1, 2020 Central Hudson entered into an Asset Management Agreement (“AMA”) with a third party related to its natural gas transport and storage capacity. Central Hudson continues to make purchases of natural gas in advance of the peak winter season to hedge against price volatility for its customers. However, based on the terms of the agreement, the third party will maintain control and title over the physical gas in storage until the end of the contract term. Amounts related to the AMA are reflected in “Special deposits and prepayments” in CH Energy Group’s and Central Hudson’s Balance Sheets.

Reclassification

Certain amounts shown in Note 4 – “Regulatory Matters” related to prior year, have been reclassified to conform to the 2021 presentation. These reclassifications had no effect on the reported results of operations.

Recently Adopted Accounting Pronouncements

Income Taxes

Effective January 1, 2021, CH Energy Group and Central Hudson adopted Accounting Standards Update (“ASU”) No. 2019-12, *Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in Accounting Standard Codification (“ASC”) 740 related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplified aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. CH Energy Group and its subsidiaries’ earnings, financial position, cash flows and disclosures were not impacted by this adoption.

Note 2 - Revenues and Receivables

Central Hudson disaggregates revenue by segment (electric and natural gas operations) and by revenue type (revenue from contract with customers, alternative revenue programs and other revenue).

Revenue from Contracts with Customers

Central Hudson records revenue as electricity and natural gas is delivered based on either the customers’ meter read or estimated usage for the month. For full-service customers, this includes delivery and supply of electricity and natural gas. For retail choice customers, this includes delivery only as these customers purchase supply from a retail marketer. Sales and usage-based taxes are excluded from revenues. Consideration received from customers on a billing schedule is not adjusted for the effect of a significant finance component because the period between a transfer of goods or services will be one year or less.

Alternative Revenues

Central Hudson’s alternative revenue programs include: electric and natural gas RDMs, the 2020 three-month postponement of the electric and natural gas delivery rate increases for Rate Year (“RY”) 3, Gas Merchant Function Charge lost revenue, and revenue requirement effect for incremental Leak Prone Pipe (“LPP”) miles replaced above the PSC targets. In addition, Central Hudson records alternative revenues related to Positive Revenue Adjustments (“PRAs”) and Earnings Adjustment Mechanism (“EAMs”) related to New York State clean energy goals, when prescribed targets are met.

Other Revenues

Other revenues consist of pole attachment rents, finance charges, miscellaneous fees and other revenue adjustments. Included in other revenue adjustments are changes to regulatory deferral balances to reverse the impact of refunds (collections) of previously recognized deferrals and Negative Revenue Adjustments pursuant to PSC Orders.

The following summary presents CH Energy Group's and Central Hudson's operating revenues disaggregated by segment and revenue source (In Thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Electric				
Revenues from Contracts with Customers (ASC 606)	\$ 156,676	\$ 153,538	\$ 441,322	\$ 407,268
Alternative Revenues (Non ASC 606)	(8,287)	(7,224)	(27,609)	(10,486)
Other Revenue Adjustments (Non ASC 606)	10,241	3,418	36,674	17,592
Total Operating Revenues Electric	<u>\$ 158,630</u>	<u>\$ 149,732</u>	<u>\$ 450,387</u>	<u>\$ 414,374</u>
Natural Gas				
Revenues from Contracts with Customers (ASC 606)	\$ 19,706	\$ 17,663	\$ 124,063	\$ 111,219
Alternative Revenues (Non ASC 606)	1,336	1,919	4,125	4,765
Other Revenue Adjustments (Non ASC 606)	(1,005)	(542)	(6,404)	(4,687)
Total Operating Revenues Natural Gas	<u>\$ 20,037</u>	<u>\$ 19,040</u>	<u>\$ 121,784</u>	<u>\$ 111,297</u>

The increase in electric and natural gas revenues from contracts with customers for the quarter and year to date is primarily driven by the increase in customer delivery rates effective July 1, 2020 that, due to the delayed rate increase in 2020, favorably impacted third quarter 2021 revenues, as well as higher billed recovery of purchased commodity costs, RAM and EAM surcharges. Partially offsetting these increases are higher credits to customer bills for rate moderation in the first half of 2021 when compared to 2020, which does not impact total revenues. The offset of these credits is reflected in other revenue.

The decrease in electric alternative revenue programs for the quarter and year to date is due to an increase in the deferral of actual billed revenues in excess of the 2018 Rate Order prescribed targets and the deferral of the delivery rate increase which was delayed from July 1, 2020 to October 1, 2020.

The increase in other electric revenues is due to higher credits to customer bills for previously deferred revenues in excess of the 2018 Rate Order prescribed targets as well as higher credits for rate moderation in 2021 when compared to 2020. The decrease in other natural gas revenues is primarily due to higher recovery of previously deferred revenues below those prescribed in the 2018 Rate Order and to higher deferral of net plant and depreciation targets, as a result of delays in the completion of certain capital projects as compared to levels included in current rates.

Allowance for Uncollectible Accounts

Accounts receivable are recorded net of an allowance for uncollectible accounts based on the allowance for credit losses model.

A summary of all changes in the allowance for uncollectible accounts receivable and accrued unbilled utility revenue balance is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Balance at Beginning of Period	\$ (11,200)	\$ (6,700)	\$ (10,400)	\$ (4,500)
Accounting Standard Adoption – cumulative effect adjustment	-	-	-	(1,200)
Uncollectible expense	(1,417)	(2,028)	(5,305)	(5,734)
Bad debt write-offs (recoveries) - net	1,417	1,228	4,505	3,934
Balance at End of Period	<u>\$ (11,200)</u>	<u>\$ (7,500)</u>	<u>\$ (11,200)</u>	<u>\$ (7,500)</u>

Management recorded an increase to the allowance for uncollectible accounts of \$0.8 million and \$1.8 million during the first nine months of 2021 and 2020, respectively, based on a quantitative and qualitative assessment of forecasted economic conditions primarily related to COVID-19. This assessment included a historical analysis of the relationship of write-offs to accounts receivable balances in arrears and taking into consideration certain qualitative factors differentiating this current situation from other significant events in the historical period, including the nature and cause of this economic downturn, as well as legislative and governmental actions taken to provide relief and assistance to customers financially impacted by the COVID-19 pandemic. Central Hudson continues to proactively contact customers regarding past due balances to advise them of certain financial assistance programs available and is also working with local agencies and municipalities to obtain funding for its customers which has been made available through federal and state programs. No further increases to the reserve have been recorded in the third quarter of 2021 based on the potential available funding from these programs.

NOTE 3 – Utility Plant - Central Hudson

The following summarizes the type and amount of assets included in the electric, natural gas, and common categories of Central Hudson's utility plant balances (In Thousands):

	Estimated Depreciable Life in Years	Utility Plant		
		September 30, 2021	December 31, 2020	September 30, 2020
Electric:				
Production	25-85	\$ 43,323	\$ 42,992	\$ 42,964
Transmission	30-90	445,550	435,855	417,990
Distribution	7-80	1,171,623	1,139,941	1,123,141
Other	40	6,910	6,908	6,827
Total		<u>\$ 1,667,406</u>	<u>\$ 1,625,696</u>	<u>\$ 1,590,922</u>
Natural Gas:				
Transmission	19-85	\$ 61,769	\$ 61,476	\$ 60,499
Distribution	28-95	656,681	615,728	599,322
Other	N/A	442	442	442
Total		<u>\$ 718,892</u>	<u>\$ 677,646</u>	<u>\$ 660,263</u>
Common:				
Land and Structures	50	\$ 108,774	\$ 88,310	\$ 86,862
Office and Other Equipment, Radios and Tools	8-35	85,651	79,429	81,226
Transportation Equipment	10-12	79,265	77,668	75,902
Other	3-10	133,694	93,922	87,286
Total		<u>\$ 407,384</u>	<u>\$ 339,329</u>	<u>\$ 331,276</u>
Gross Utility Plant		<u>\$ 2,793,682</u>	<u>\$ 2,642,671</u>	<u>\$ 2,582,461</u>

For the three months ended September 30, 2021 and 2020, the borrowed component of funds used during construction and recorded as a reduction of interest expense was \$0.4 million and \$0.5 million and the equity component reported as other income was \$0.8 million and \$0.8 million, respectively. For the nine months ended September 30, 2021 and 2020, the borrowed component of funds used during construction and recorded as a reduction of interest expense was \$1.2 million, respectively in the periods and the equity component reported as other income was \$2.7 million and \$2.2 million, respectively.

Included in the Net Utility Plant balances of \$2.3 billion at September 30, 2021, \$2.2 billion at December 31, 2020 and \$2.1 billion at September 30, 2020 was \$167.9 million, \$141.7 million and \$133.1 million of intangible utility plant assets, comprised primarily of computer software costs, land, transmission and water rights and the related accumulated amortization of \$74.6 million, \$64.7 million and \$61.6 million, respectively.

As of September 30, 2021, December 31, 2020 and September 30, 2020, Central Hudson has reclassified from utility plant assets \$42.7 million, \$40.4 million and \$40.9 million, respectively, of cost of removal recovered through the rate-making process in excess of amounts incurred to date as a regulatory liability.

Asset Retirement Obligations ("AROs") for Central Hudson were approximately \$1.9 million as of September 30, 2021 and December 31, 2020 and \$0.6 million at September 30, 2020. These amounts have been classified in the above chart under "Electric - Other" and "Common - Other" based on the nature of the ARO and are reflected as "Other - long-term liabilities" in the CH Energy Group and Central Hudson Balance Sheets.

NOTE 4 – Regulatory Matters**Summary of Regulatory Assets and Liabilities**

Based on previous, existing or expected regulatory orders or decisions, the following table sets forth amounts that are expected to be recovered from, or refunded to customers in future periods (In Thousands):

	September 30, 2021	December 31, 2020	September 30, 2020
Regulatory Assets:			
Deferred purchased electric costs (Note 1)	\$ 13,742	\$ 3,470	\$ 2,214
Deferred purchased natural gas costs (Note 1)	2,022	4,453	435
Deferred unrealized losses on derivatives - electric and natural gas (Note 15)	-	2,153	311
RAM - electric and carrying charges	7,100	13,866	6,222
RAM - natural gas and carrying charges	2,876	3,418	430
EAMs - electric	2,860	3,410	1,731
SC 8 Street Lighting and carrying charges	2,413	1,678	1,515
Delayed electric and natural gas delivery rate increase	-	4,596	6,730
RDM and carrying charges - natural gas	1,468	3,778	1,385
Energy efficiency programs and carrying charges	11,572 ⁽²⁾	1,260	-
Revenue requirement of LPP replacement and carrying charges	4,204	1,696	1,727
Deferred pension costs	1,434	7,551	-
Demand management programs and carrying charges	9,678	11,032	11,365
Deferred and accrued costs - SIR (Note 13) and carrying charges	78,416	84,370	87,259
Deferred storm costs and carrying charges	29,474	19,902	25,542
Deferred vacation pay accrual	10,593	10,197	9,958
Income taxes recoverable through future rates	27,981	26,968	15,777
Tax reform - unprotected impacts	13,464	13,464	13,464
Other	9,173 ⁽¹⁾	10,140 ⁽¹⁾	10,481 ⁽¹⁾⁽³⁾
Total Regulatory Assets	\$ 228,470	\$ 227,402	\$ 196,546
Less: Current Portion of Regulatory Assets	\$ 55,953	\$ 57,079	\$ 42,479
Total Long-term Regulatory Assets	\$ 172,517	\$ 170,323	\$ 154,067
Regulatory Liabilities:			
Rate moderator - electric and carrying charges	\$ 9,631	\$ 15,786	\$ 19,572
Rate moderator - natural gas and carrying charges	4,823	6,247	7,073
RDM and carrying charges - electric	16,226	22,073	16,370
Deferred unrealized gains on derivatives - electric and natural gas (Note 15)	13,708	-	1,390
Clean Energy Fund and carrying charges	55,489	57,893 ⁽²⁾	63,019
Tax reform - protected deferred tax liability	179,718	183,915	185,353
Deferred cost of removal (Note 3)	42,664	40,384	40,934
Deferred pension costs	-	-	5,354
Deferred property taxes and carrying charges	1,320	-	1,270 ⁽³⁾
Income taxes refundable through future rates	13,648	9,149	7,209
Deferred OPEB costs	11,542	13,540	23,615
Low income program and carrying charges	6,816	4,722	4,052
Net plant and depreciation targets	13,924	10,193	8,956
Fast charging infrastructure program and carrying charges	5,385	5,124	5,029
Energy efficiency programs and carrying charges	-	-	2,119
Deferred unbilled revenue	5,082	5,082	5,082
Deferred interest cost	1,608	465 ⁽³⁾	- ⁽³⁾
Other	6,310 ⁽¹⁾	4,573 ⁽¹⁾⁽³⁾	6,709 ⁽¹⁾⁽³⁾
Total Regulatory Liabilities	\$ 387,894	\$ 379,146	\$ 403,106
Less: Current Portion of Regulatory Liabilities	\$ 90,133	\$ 89,006	\$ 96,791
Total Long-term Regulatory Liabilities	\$ 297,761	\$ 290,140	\$ 306,315
Net Regulatory Liabilities	\$ (159,424)	\$ (151,744)	\$ (206,560)

Notes to Quarterly Condensed Financial Statements (UNAUDITED)

(1) Other includes estimated netting on the balance sheet of certain regulatory asset carrying charges to be offset against regulatory liabilities and collected through Rate Case offset.

(2) In accordance with Order 18-M-0844, during the quarter ended March 31, 2021, accumulated Clean Energy Fund carrying charges of \$4.7 million were transferred to fund Energy Efficiency Programs.

(3) Certain amounts included in Other related to prior periods, have been reclassified to conform to the September 30, 2021 presentation.

PSC Proceedings

2018 Rate Order and Related Proceedings

On June 14, 2018, the PSC issued an Order Approving Rate Plan in Cases 17-E-0459 and 17-G-0460. The 2018 Rate Order adopted the terms set forth in the April 18, 2018 Joint Proposal with minor modifications. The 2018 Rate Order was effective July 1, 2018, with Rate Year ("RY") RY1, RY2 and RY3 defined as the twelve months ending June 30, 2019, June 30, 2020 and June 30, 2021, respectively.

A summary of the key terms of the 2018 Rate Order is as follows:

<u>Description</u>	<u>2018 Rate Order (dollars in millions)</u>		
	<u>RY1</u>	<u>RY2</u>	<u>RY3</u>
Electric delivery rate increases	\$19.7	\$18.6	\$25.1
Natural gas delivery rate increases	\$6.7	\$6.7	\$8.2
Return on Equity	8.80%	8.80%	8.80%
Earnings sharing	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾
Capital structure – common equity	48%	49%	50%
Bill Credits - Electric	\$6.0	\$9.0	\$11.0
Bill Credits - Natural Gas	\$3.5	\$4.0	\$4.0
RDMs – electric and natural gas	Yes	Yes	Yes

(1) Return on equity ("ROE") > 9.3% and up to 9.8%, is shared 50% to customers, > 9.8% and up to 10.3%, is shared 80% to customers, and > 10.3% is shared 90% to customers.

On June 11, 2020, the Commission issued Order Postponing Approved Electric and Gas Delivery Rate Increases, which approved Central Hudson's petition to ease the financial impact on customers during the critical months of the COVID-19 pandemic. The Order postponed for three months Central Hudson's approved RY3 electric and natural gas delivery rate increase scheduled to take effect on July 1 to October 1, 2020, with the forgone revenues recovered over the remaining nine months of the rate year ending June 30, 2021. The Order also stated that no carrying charges will be applied to the delayed recovery of these revenues and that Central Hudson will adjust the RDM targets to be consistent with the delayed electric and natural gas delivery rate increase implementation.

August 2020 Rate Filing

Central Hudson filed an electric and natural gas rate case (Cases 20-E-0428 and 20-G-0429) on August 27, 2020 with the PSC seeking electric and natural gas delivery revenue increases. On August 24, 2021, the Company, Staff and several parties representing customer, commercial, municipal and environmental interests signed and filed the Joint Proposal ("JP"). The JP:

- establishes the Company's future energy infrastructure investments, programs and operations;
- stabilizes electric rates in the first year with a slight decrease for residential customers;
- reflects modest increases in gas rates producing bill impacts just over one percent each RY;
- helps to aid in pandemic recovery while supporting efforts to meet New York's climate goals;
- provides Central Hudson with required rate relief to support ongoing operations and maintenance and necessary investments in its electric, natural gas and information technology ("IT") systems and;

- includes several deferrals that provide the Company authorization to defer COVID-19 Incremental Operations and Maintenance (“O&M”) Costs net of savings, lost revenues (finance charges and reconnection fee revenues), and uncollectible write-offs.

The JP provides for new rates to become effective retroactive to July 1, 2021 under a make-whole provision, covers the three-year period through June 2024 and utilizes existing regulatory balances to reduce bill impacts for customers during the term of the agreement. The JP also reflects a postponement of certain capital projects in order to manage capital expenditures, as well as reductions to O&M costs. The total electric revenue decrease/increase (after bill credits) is -0.2%, 1.2%, and 1.2% for RY1 through RY3, respectively, and the total natural gas revenue increase (after bill credits) is 1.9%, 1.8%, and 1.8% for RY1 through RY3, respectively. The proposed rate plan also includes an allowed ROE of 9.0% and an equity ratio of 50%, 49% and 48% for RY1 through RY3, respectively.

Although the statutory 11-month period for response from the PSC has been extended, a PSC Order in response to the filing is anticipated in the fourth quarter of 2021. Once approved, the Company will record the required accounting entries to reflect the retroactive make-whole provision and the approved regulatory deferral mechanism. Management does not anticipate the delay in the PSC Order will have a material impact on the Company's full year earnings, financial position or cash flow.

August 2020 Tropical Storm Isaias

On August 5, 2020, the New York State Governor instituted proceeding 20-01633 directing the Commission to initiate an investigation of certain New York State utilities' responses to Tropical Storm Isaias, which impacted Central Hudson's service territory on August 4, 2020. On November 19, 2020, New York State Department of Public Service (“DPS”) issued an interim Storm Report setting forth preliminary findings, including purported failures by the identified utilities to comply with their respective Commission approved Emergency Response Plans and Show Cause (“Show Cause Order”) that initiated proceedings against Central Hudson and the other utilities. The Show Cause Order identified 32 apparent violations by Central Hudson, which, if established, could have resulted in up to \$16 million of penalties. Central Hudson filed its response to the Show Cause Order on December 21, 2020. The Company performed a thorough investigation and, as indicated in its response, believed no penalty should be issued because the facts demonstrated that Central Hudson fully complied with its Commission-approved Emergency Response Plan, which served as the standard against which Central Hudson should be evaluated. On February 23, 2021, Central Hudson filed a Notice of Impending Settlement Negotiations. On July 7, 2021, Central Hudson and New York State DPS entered into a Settlement Agreement, which included a commitment by Central Hudson to establish a \$1.5 million regulatory liability to be used by Central Hudson to support or advance storm restoration and/or electric system resiliency and reliability in excess of amounts funded by customers. The Commission approved the Settlement Agreement within the Order Granting Motion and Adopting Settlement Agreement on July 15, 2021. The Settlement Agreement does not include any finding or admission of any violation by Central Hudson, and it specifies that the settlement amount is not a penalty.

Federal Energy Regulatory Commission (“FERC”) Proceeding

On December 31, 2019, Central Hudson submitted to FERC a new rate schedule pursuant to Rate Schedule 12 of the NYISO OATT to establish a Facilities Charge for System Deliverability Upgrades (“SDU”) being installed on Central Hudson's transmission facilities, which are required to provide four Large Generating Facility Developers with Capacity Resource Interconnection Service. This charge provides Central Hudson with full recovery of all reasonably incurred costs related to the development, construction, operation and maintenance of the SDU and a reasonable return on its investment. Project costs to be recovered by Central Hudson and allocated to the Load Serving Entities (“LSEs”) pursuant to Rate Schedule 12 of the NYISO OATT are expected to be approximately \$2.6 million plus

operation, maintenance and other applicable costs and will be updated annually. Parties submitted an Offer of Settlement with the FERC on June 30, 2021, which included an updated ROE of 9.4% plus a 50 basis point adder for a total ROE of 9.9%. The settlement was certified as uncontested by the designated settlement judge on August 3, 2021 and was subsequently approved by FERC on October 4, 2021.

Central Hudson 2021 Financing Order

On June 29, 2021, Central Hudson filed under Section 69 of the Public Service Law a request to obtain approval to enter into multi-year committed credit agreements in an aggregate amount not to exceed \$250 million and maturities not to exceed five years, and approval to issue and sell long-term debt, from time to time through December 31, 2024, in an aggregate amount not to exceed \$475 million.

NOTE 5 – Income Tax

Uncertain Tax Positions

In September of 2010, Central Hudson filed a request with the Internal Revenue Service (“IRS”) to change its tax accounting method related to costs to repair and maintain utility assets. The change was effective for the tax year ended December 31, 2009. This change allows Central Hudson to take a current tax repair deduction for a significant amount of repair costs that were previously capitalized for tax purposes.

IRS guidance, with respect to repair deductions taken on Gas Transmission and Distribution repairs is still pending. Therefore, tax reserves related to the gas repair deduction continue to be shown as “Tax Reserve” under the Deferred Credits and Other Liabilities section of the CH Energy Group and Central Hudson Balance Sheets.

Changes in the tax reserve reflect the ongoing uncertainty related to gas transmission and distribution repair deductions taken in the current period.

The following is a summary of activity related to the uncertain tax position (In Thousands):

	CH Energy Group			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Tax reserve balance at the beginning of the period	\$ -	\$ 4,850	\$ -	\$ 3,126
Change in natural gas transmission and distribution repair deduction	181	176	542	528
Change in tax benefit offset ⁽¹⁾	(181)	(789)	(542)	583
Tax reserve balance at the end of the period	<u>\$ -</u>	<u>\$ 4,237</u>	<u>\$ -</u>	<u>\$ 4,237</u>

(1) Amounts are classified as a deferred tax asset per ASU No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*.

Central Hudson

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Tax reserve balance at the beginning of the period	\$ -	\$ 4,709	\$ -	\$ 2,910
Change in natural gas transmission and distribution repair deduction	181	176	542	528
Change in tax benefit offset ⁽¹⁾	(181)	(961)	(542)	486
Tax reserve balance at the end of the period	<u>\$ -</u>	<u>\$ 3,924</u>	<u>\$ -</u>	<u>\$ 3,924</u>

(1) Amounts are classified as a deferred tax asset per ASU No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*.

CARES Act

The CARES Act was signed into law on March 27, 2020. As permitted under the CARES Act, Central Hudson deferred payment of the employer share of the Social Security tax on its payroll during 2020. The deferred payroll tax can be paid over the next two years; with half of the required amount paid by December 31, 2021 and the other half by December 31, 2022. There is no impact on earnings or on the effective tax rate resulting from the delayed payment of employer payroll tax under the CARES Act. As of September 30, 2021 and December 31, 2020, the liability for the deferred payment of the employer's portion of Social Security tax on payroll is \$5.2 million, with \$2.6 million reflected in "Other current liabilities" and \$2.6 million in "Other long-term liabilities" in the CH Energy Group and Central Hudson Balance Sheets. As of September 30, 2020, the liability for the deferred payment of the employer's portion of Social Security tax on payroll was \$3.7 million and was reflected in "Other long-term liabilities" in the CH Energy Group and Central Hudson Balance Sheets.

CH Energy Group

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Effective tax rate - federal	9.3%	11.4%	12.0%	11.8%
Effective tax rate - state	4.9%	6.1%	4.7%	6.3%
Effective tax rate - combined	<u>14.2%</u>	<u>17.5%</u>	<u>16.7%</u>	<u>18.1%</u>

Central Hudson

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Effective tax rate - federal	7.9%	11.5%	11.4%	11.9%
Effective tax rate - state	4.4%	5.9%	4.5%	6.1%
Effective tax rate - combined	<u>12.3%</u>	<u>17.4%</u>	<u>15.9%</u>	<u>18.0%</u>

For the three and nine months ended September 30, 2021, the combined effective tax rate for CH Energy Group and Central Hudson is lower than the statutory rate due to tax normalization rules and the flow through impact of changes in the operating reserves. The decrease in the periods is primarily due to the impact of increases in book reserves not subject to tax included in the prior year effective rate.

On April 6, 2021 the New York State fiscal year 2022 budget bill was enacted. The budget bill included an increase in the corporate tax rate for businesses with taxable income over \$5 million from 6.5% to 7.25% for tax years beginning on or after January 1, 2021 and before January 1, 2024 and extending the capital base tax which was set to phase out in 2021. For tax years beginning on or after January 1, 2021 and before January 1, 2024, the business capital tax rate would be 0.1875% and would phase out for tax years beginning on and after January 1, 2024. CH Energy Group and Central Hudson have state Net Operating Losses that are expected to reduce taxable income below the \$5 million threshold for the duration of the increased tax rate period and therefore that provision is not expected to have an impact on the Company's earnings or cash flows. Both CH Energy Group and Central Hudson are expecting to be subject to the capital base tax during this period. For the nine months ended September 30, 2021, Central Hudson has recorded \$1.3 million of Capital Base Tax, which is included in "Taxes, other than income tax" in the CH Energy Group and Central Hudson Statements of Income. The PSC Order anticipated in response to Central Hudson's August 2020 Rate Filing is expected to reflect the recovery of the impact of the new tax legislation in the revenue requirement and therefore this increase in Capital Base Tax is not expected to have a material impact on the Company's earnings and cash flows.

NOTE 6 – Investments in Unconsolidated Affiliates

In April 2019, National Grid and Transco were awarded the Segment B portion of one of their proposals related to the AC Transmission Order with NYISO for a transmission project that will improve the flow of power from upstate renewable resources to meet downstate demand and enhance the reliability and resilience of the grid ("AC Project"). Transco is authorized to earn a return on equity invested in the project (up to 53% of the project cost) of 9.65%, with up to an additional 1% available for incentives. The project has an estimated cost of \$600 million plus interconnection costs, and CHET's equity funding requirement of this cost as a 6.1% owner of Transco is expected to be \$19.4 million. As of September 30, 2021, CHET has made capital contributions of \$3.5 million to Transco to fund a portion of the Segment B project costs. At September 30, 2021, December 31, 2020 and September 30, 2020, CHET's investment in Transco was approximately \$12.7 million, \$9.2 million and \$8.7 million, respectively.

At September 30, 2021, CHEC had one remaining equity investment in a limited partnership, and it is not considered to be a part of the core business of CH Energy Group. All other interests were liquidated in prior periods. The value of CHEC's equity investments at September 30, 2021 and December 31, 2020 was approximately \$0.2 million and at September 30, 2020 it was \$1.3 million.

NOTE 7 – Research and Development

Central Hudson's research and development ("R&D") expenditures for the three months ended September 30, 2021 and 2020 were \$0.8 million and \$0.7 million, respectively. For the nine months ended September 30, 2021 and 2020, Central Hudson's R&D expenditures were \$2.8 million and \$2.6 million, respectively. These expenditures were for internal research programs and for contributions to research administered by the New York State Energy Research and Development Authority ("NYSERDA"), the Electric Power Research Institute and other industry organizations.

NOTE 8 – Short-Term Borrowing Arrangements

Committed Credit Facilities

On July 10, 2015, CH Energy Group entered into a Third Amended and Restated Credit Agreement with four commercial banks. The credit commitment of the banks under the agreement was \$50 million with a maturity date of July 10, 2020. Due to low utilization and the ability to receive funding from either subsidiary dividends or parent company equity capital contributions, CH Energy Group did not replace this credit agreement upon its maturity.

On March 13, 2020, Central Hudson entered into a \$200 million, five-year revolving credit agreement with five commercial banks to replace the agreement that was set to expire on October 15, 2020. Proceeds received from the revolving credit agreement are to be used for working capital needs and for general corporate purposes. Letters of credit are available up to \$15 million from three participating banks.

The Central Hudson credit agreement includes a covenant that its total funded debt to total capital will not exceed 0.65 to 1.00. The credit agreement is also subject to certain restrictions and conditions, including that there will be no event of default, and subject to certain exceptions, that Central Hudson will not sell, lien, or otherwise encumber its assets or enter into certain transactions including certain transactions with affiliates. Central Hudson is also required to pay a commitment fee calculated at a rate based on the applicable Standard and Poor's or Moody's rating on the average daily unused portion of the credit facility. At September 30, 2021, Central Hudson was in compliance with all financial debt covenants.

At September 30, 2021, CH Energy Group and Central Hudson had \$65 million in borrowings outstanding under Central Hudson's committed credit arrangements with an effective weighted average interest rate of 1.0%. At December 31, 2020 and September 30, 2020 there were no amounts outstanding under Central Hudson's committed credit arrangements for CH Energy Group and Central Hudson, as applicable.

Uncommitted Credit

At September 30, 2021, December 31, 2020, and September 30, 2020, Central Hudson had uncommitted short-term credit arrangements with two commercial banks totaling \$30 million. Proceeds from these credit arrangements are used to diversify cash sources and provide competitive options to minimize Central Hudson's cost of short-term debt.

At September 30, 2021, CH Energy Group and Central Hudson had \$5 million in borrowings outstanding under Central Hudson's uncommitted credit agreements with an effective weighted average interest rate of 0.9%. At December 31, 2020, CH Energy Group and Central Hudson had \$15 million in borrowings outstanding under Central Hudson's uncommitted credit agreements with an effective weighted average interest rate of 0.9%. There were no outstanding borrowings for CH Energy Group or Central Hudson under Central Hudson's uncommitted credit agreements at September 30, 2020.

NOTE 9 – Capitalization – Common and Preferred Stock

Capitalization

During the nine months ended September 30, 2021, CH Energy Group received a contribution of approximately \$5.0 million under the tax sharing agreement with its parent FortisUS Inc. ("FortisUS").

Additionally, during the nine months ended September 30, 2021 and September 30, 2020, CH Energy Group received capital contributions of \$4.4 million and \$15.0 million, respectively, from FortisUS.

During the nine months ended September 30, 2021 and September 30, 2020, Central Hudson received a capital contribution of \$6.0 million and \$12.0 million, respectively, from its parent company CH Energy Group.

For the nine months ended September 30, 2021, CHET received capital contributions of \$2.1 million from its parent CH Energy Group in order to fund capital expenditures related to the Transco AC Project. There were no capital contributions made during 2020.

These contributions were recorded as paid-in capital, see CH Energy Group and Central Hudson's Condensed Consolidated Statement of Equity.

Common Stock Dividends

CH Energy Group's ability to pay dividends is affected by the ability of its subsidiaries to pay dividends. The Federal Power Act limits the payment of annual dividends by Central Hudson to its retained earnings. More restrictive is the PSC's limit on the dividends Central Hudson may pay to CH Energy Group, which is 100% of the average annual income available for common stock, calculated on a two-year rolling average basis. Based on this calculation, Central Hudson was restricted to a maximum annual payment of \$67.2 million and \$62.9 million in dividends to CH Energy Group for the periods ended September 30, 2021 and 2020, respectively. Central Hudson's ability to pay dividends would be reduced to 75% of its average annual income in the event of a downgrade of its senior debt rating below "BBB+" by more than one rating agency, if the stated reason for the downgrade is related to any of CH Energy Group's or Central Hudson's affiliates. Further restrictions are imposed for rating downgrades below this level. In addition, Central Hudson would not be allowed to pay dividends if its average common equity ratio for the 13 months prior to a proposed dividend was more than 200 basis points below the ratio used in setting rates. CH Energy Group's other subsidiaries do not have express restrictions on their ability to pay dividends.

There were no dividends paid during the nine months ended 2021 and 2020.

Preferred Stock

Other than one share of Junior Preferred Stock, Central Hudson had no outstanding preferred stock as of September 30, 2021, December 31, 2020, and September 30, 2020.

NOTE 10 – Capitalization – Long-Term Debt

As of September 30, 2021, CH Energy Group and Central Hudson were in compliance with all covenants under their long-term debt instruments. Most of these instruments are redeemable at the discretion of CH Energy Group and Central Hudson, at any time, at the greater of par or a specified price as defined in the respective long-term debt agreements, together with accrued and unpaid interest.

On March 16, 2021, Central Hudson issued \$75 million of Series U Senior Notes, with an interest rate of 3.29% per annum and a maturity date of March 16, 2051. Central Hudson used the proceeds from the sale of the Senior Notes for general corporate purposes, including the repayment of \$44.2 million of maturing debt on April 1, 2021.

During 2020, Central Hudson issued \$130 million in unsecured Senior Notes, with various interest rates and maturities ranging from 10 to 40 years. Central Hudson used the proceeds from the sale of the

Senior Notes to repay \$40 million of maturing debt and for general corporate purposes, including the funding of capital expansion and improvement projects and the repayment of short-term borrowings.

At September 30, 2021, Central Hudson had \$30 million of 2014 Series E 10-year notes with a floating interest rate of 3-month LIBOR plus 1%. To mitigate the potential cash flow impact from unexpected increases in short-term interest rates, Central Hudson purchased a four-year interest rate cap that will expire on March 26, 2024. The rate cap has a notional amount equal to the outstanding principal amount of the 2014 Series E notes and is based on the quarterly reset of the LIBOR rate on the quarterly interest payment dates. Central Hudson would receive a payout if the LIBOR rate exceeds 3% at the start of any quarterly interest period during the term of the cap. There have been no payouts on this interest rate cap during the three and nine months ended September 30, 2021 and 2020.

The principal amount of Central Hudson's outstanding 1999 Series B NYSERDA Bonds totaled \$33.7 million at September 30, 2021. These are tax-exempt multi-modal bonds that are currently in a variable rate mode and mature in 2034. To mitigate the potential cash flow impact from unexpected increases in short-term interest rates on Series B NYSERDA Bonds, Central Hudson purchased a three-year interest rate cap on March 25, 2019. The rate cap has a notional amount equal to the outstanding principal amount of the Series B bonds and expires on April 1, 2022. The cap is based on the monthly weighted average of an index of tax-exempt variable rate debt, multiplied by 175%. Central Hudson would receive a payout if the adjusted index exceeds 4% for a given month. There was no payout on this interest rate cap during the three and nine months ended September 30, 2021. Central Hudson received a payout of \$0.03 million during the nine months ended September 30, 2020; there was no payout during the third quarter of 2020.

See Note 15 – "Accounting for Derivative Instruments and Hedging Activities" for fair value disclosures related to these interest rate cap agreements.

NOTE 11 – Post-Employment Benefits

Central Hudson has a non-contributory Retirement Income Plan ("Retirement Plan") covering substantially all its employees hired before January 1, 2008 or May 1, 2008, as applicable, and a non-qualified Supplemental Executive Retirement Plan ("SERP") for certain executives (collectively "Pension"). The Retirement Plan is a defined benefit plan, which provides pension benefits based on an employee's compensation and years of service. Central Hudson also provides certain health care and life insurance benefits for certain retired employees hired before January 1, 2008 or May 1, 2008, as applicable, through its post-retirement benefit plans.

In its Orders, the PSC has authorized deferral accounting treatment for any variations between actual Pension and OPEB expense and the amount included in the current delivery rate structure. As a result, variations in expenses for post-employment benefit plans at Central Hudson do not have any impact on earnings.

Central Hudson's net periodic benefit costs for its Pension and OPEB plans are as follows (In Thousands):

	Pension		OPEB	
	Three Months Ended September 30,		Three Months Ended September 30,	
	2021	2020	2021	2020
Service cost	\$ 3,763	\$ 3,363	\$ 469	\$ 417
Interest cost	4,962	5,922	892	1,048
Expected return on plan assets	(9,042)	(8,836)	(1,986)	(1,985)
Amortization of prior service cost (credit)	132	162	(114)	(114)
Amortization of recognized actuarial net (gain)/loss	633	401	(651)	(979)
Net Periodic (Benefit) Cost	<u>\$ 448</u>	<u>\$ 1,012</u>	<u>\$ (1,390)</u>	<u>\$ (1,613)</u>

	Pension Benefits		OPEB	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Service cost	\$ 11,289	\$ 10,089	\$ 1,407	\$ 1,251
Interest cost	14,886	17,766	2,676	3,144
Expected return on plan assets	(27,126)	(26,508)	(5,958)	(5,955)
Amortization of prior service cost (credit)	396	486	(342)	(342)
Amortization of recognized actuarial net (gain)/loss	1,899	1,203	(1,953)	(2,937)
Net Periodic (Benefit) Cost	<u>\$ 1,344</u>	<u>\$ 3,036</u>	<u>\$ (4,170)</u>	<u>\$ (4,839)</u>

The balance of Central Hudson's accrued pension costs (i.e. the under-funded status) is as follows (In Thousands):

	September 30, 2021 ⁽¹⁾⁽²⁾	December 31, 2020 ⁽¹⁾⁽²⁾	September 30, 2020 ⁽¹⁾⁽²⁾
Accrued pension costs	\$ (24,758)	\$ (26,813)	\$ (12,805)

(1) Includes approximately \$0.2 million at September 30, 2021, December 31, 2020 and September 30, 2020 of accrued pension liability recorded at CH Energy Group as a result of the resignation in 2014 of a CH Energy Group officer with a change in control agreement.

(2) Includes approximately \$1.5 million at September 30, 2021 and December 31, 2020 and \$1.2 million at September 30, 2020 that is reflected in the Balance Sheet under other current liabilities for pension payments expected to be made over the next twelve months.

Accrued pension costs include the difference between the projected benefit obligation for the Retirement Plan and the market value of the pension assets and any liability for the non-qualified SERP. The under-funded status does not reflect approximately \$40.5 million, \$32.9 million, and \$33.1 million of SERP trust assets at September 30, 2021, December 31, 2020, and September 30, 2020.

The following reflects the impact of the recording of funding status adjustments on the Balance Sheets of CH Energy Group and Central Hudson (In Thousands):

	September 30, 2021 ⁽¹⁾⁽²⁾	December 31, 2020 ⁽¹⁾⁽²⁾	September 30, 2020 ⁽¹⁾⁽²⁾
Accrued pension costs prior to funding status adjustment	\$ (25,989)	\$ (25,751)	\$ (25,025)
Funding status adjustment required	1,231	(1,062)	12,220
Accrued pension costs	<u>\$ (24,758)</u>	<u>\$ (26,813)</u>	<u>\$ (12,805)</u>
Offset to funding status adjustment - regulatory (liability) assets - pension plan	<u>\$ (1,303)</u>	<u>\$ 851</u>	<u>\$ (12,610)</u>
Offset to funding status adjustment - accumulated OCI, net of tax of \$20, \$55 and \$102, respectively	<u>\$ 52</u>	<u>\$ 156</u>	<u>\$ 288</u>

(1) Includes approximately \$0.2 million at September 30, 2021, December 31, 2020 and September 30, 2020 of accrued pension liability recorded at CH Energy Group as a result of the resignation in 2014 of a CH Energy Group officer with a change in control agreement.

(2) Includes approximately \$1.5 million at September 30, 2021 and December 31, 2020 and \$1.2 million at September 30, 2020 that is reflected in the Balance Sheet under other current liabilities for pension payments expected to be made over the next twelve months.

Gains or losses and prior service costs or credits that arise during the period, but that are not recognized as components of net periodic pension cost, would typically be recognized as a component of other comprehensive income ("OCI"), net of tax. However, Central Hudson has PSC approval to record regulatory assets or liabilities rather than adjusting comprehensive income to offset the funding status adjustment for amounts recoverable from customers in future rates. The amounts reported as OCI, net of tax, relate to a former Central Hudson employee who transferred to an affiliated company, but who continues to accrue benefits in Central Hudson's Retirement Plan and SERP. These amounts reported as OCI are charged to and reimbursed by the affiliated company.

Contributions to the Central Hudson Retirement, OPEB and SERP Plans are as follows (In Thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Retirement Plan	\$ -	\$ -	\$ -	\$ -
OPEB	\$ -	\$ -	\$ 812	\$ 1,081
SERP	\$ -	\$ -	\$ 8,115	\$ 6,998

Decisions to fund Central Hudson's Retirement Plan are based on several factors, including, but not limited to, the funded status, corporate resources, projected investment returns, actual investment returns, inflation, regulatory considerations, interest rate assumptions and the requirements of the Pension Protection Act of 2006 ("PPA"). Based on the funding requirements of the PPA, Central Hudson plans to make contributions that maintain the target funded percentage at 80% or higher. Actual contributions could vary significantly based upon a range of factors that Central Hudson considers in its funding decisions.

Contribution levels to the OPEB Plans are determined by various factors including the discount rate, expected return on plan assets, medical claims assumptions used, mortality assumptions used, benefit changes, corporate resources and regulatory considerations.

In accordance with the terms of the Trust agreement for the SERP, following the acquisition of CH Energy Group, Inc. by Fortis on June 27, 2013, Central Hudson is required to maintain a funding level for the SERP at 110% of the present value of the accrued benefits payable under the Plan on an annual basis.

401(k) Retirement Plan

Central Hudson sponsors a 401(k) retirement plan ("401(k) plan") for its employees. The 401(k) plan provides for employee tax-deferred salary deductions for participating employees and employer matches. The matching benefit varies by employee group. Central Hudson's matching contributions for the three months ended September 30, 2021 and 2020 were \$1.5 million, respectively. For the nine months ended September 30, 2021 and 2020, matching contributions were \$4.4 million and \$4.3 million, respectively. Central Hudson also provides an additional contribution of 4% to the 401(k) plan of annualized base salary for eligible employees who do not qualify for Central Hudson's Retirement Income Plan. The additional non-discretionary contribution was approximately \$0.7 million for the three months ended September 30, 2021 and September 30, 2020, respectively. For the nine months ended September 30, 2021 and September 30, 2020, non-discretionary contributions were \$2.1 million and \$2.0 million, respectively.

NOTE 12 – Equity-Based Compensation**Share Unit Plan Units**

In January 2021, officers of Central Hudson were granted 14,249 Units under the 2021 Fortis Restricted Share Unit Plan ("2021 RSUP"), representing a portion of the officers' long-term incentives. The issued 2021 Restricted Units granted are time-based and vest at the end of the three-year period without regard to performance. Each 2021 RSUP Unit granted has an underlying value equivalent to the value of one common share of Fortis and if earned and vested is paid in cash, unless a participant does not satisfy their share ownership requirements or chooses to settle in shares. The settlement in shares by a participant will result in the modification from a liability award to an equity award and an election to settle in shares cannot be made later than 30 days prior to the awards vesting. The foreign exchange rate utilized for cash payout in the US dollar equivalent for each plan corresponds to the exchange rate on the business day prior to the date of that 2021 RSUP Unit grant. Each 2021 RSUP Unit accrues notional dividend equivalents equal to the dividends declared by the Fortis Board of Directors on Fortis common shares.

In January 2021, officers of Central Hudson were granted 28,497 Units under the Central Hudson 2021 Share Unit Plan ("2021 SUP"), representing a portion of the officers' long-term incentives. The issued 2021 SUP Units granted are performance based and vest at the end of the three-year performance period upon achievement of specified cumulative performance goals. Each 2021 SUP Unit granted has an underlying value equivalent to the value of one common share of Fortis and if earned and vested is paid in cash. The foreign exchange rate utilized for cash payout in the US dollar equivalent for each plan corresponds to the exchange rate on the business day prior to the date of that 2021 SUP Unit grant. Each 2021 SUP Unit accrues notional dividend equivalents equal to the dividends declared by the Fortis Board of Directors on Fortis common shares.

Awards granted under the 2018 Performance Share Unit Plan ("PSUP") and 2018 SUP Plans vested and were paid out during the first quarter of 2021.

Notes to Quarterly Condensed Financial Statements (UNAUDITED)

CH Energy Group:

	Grant Date	Grant Date Fair Value	Time Based		Performance Based	
			Granted	Outstanding ⁽⁶⁾	Granted	Outstanding ⁽⁶⁾
2020 RSUP ⁽⁵⁾	January 1, 2020	\$ 41.55	7,257	7,737	-	-
2020 PSUP ⁽⁵⁾	January 1, 2020	\$ 41.55	-	-	21,770	23,210
2019 PSUP	January 1, 2019	\$ 33.10	8,838	9,764	26,514	29,292
2018 PSUP ⁽¹⁾	January 1, 2018	\$ 36.59	-	-	29,514	-

Central Hudson:

	Grant Date	Grant Date Fair Value	Time Based		Performance Based	
			Granted	Outstanding ⁽²⁾⁽⁶⁾	Granted	Outstanding ⁽²⁾⁽⁶⁾
2021 RSUP	January 1, 2021	\$ 41.12	14,249	14,653	-	-
2021 SUP	January 1, 2021	\$ 41.12	-	-	28,497	29,306
2020 RSUP ⁽⁵⁾	January 1, 2020	\$ 41.55	12,655	13,492	-	-
2020 SUP ⁽⁵⁾	January 1, 2020	\$ 41.55	-	-	25,311	26,985
2019 SUP ⁽⁴⁾	January 1, 2019	\$ 33.10	15,691	13,785	31,383	32,428
2018 SUP ⁽³⁾⁽¹⁾	January 1, 2018	\$ 36.59	16,337	-	32,675	-

⁽¹⁾In the first quarter of 2021, 49,732 units under the 2018 SUP and 32,998 units under the 2018 PSUP vested and were paid out at \$41.64 per unit for a total of approximately \$4.1 million.

⁽²⁾In the second quarter of 2019, 3,337 2017 SUP units, 2,814 2018 SUP units, and 3,075 2019 SUP units were forfeited following the resignation of an Officer.

⁽³⁾In the third quarter of 2020, per the 2018 SUP agreement, time based units were paid out related to Officer retirements at 859 shares at \$42.93 per unit and 1,140 shares at \$44.91 per unit.

⁽⁴⁾In the third quarter of 2020, per the 2019 SUP agreement, time based units were paid out related to Officer retirements at 942 shares at \$39.57 per unit and 1,336 shares at \$41.39 per unit.

⁽⁵⁾During 2020, the grant date fair value share price was corrected from the previously disclosed Canadian dollar share price of CAD\$53.97 to the US dollar share price. There was no financial statement impact resulting from the change to the disclosure.

⁽⁶⁾Includes notional dividends accrued as of September 30, 2021.

The following table summarizes compensation expense for share unit plan units as follows (In Thousands):

Compensation Expense

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
CH Energy Group	\$ 552	\$ 547	\$ 1,946	\$ 1,891
Central Hudson	\$ 552	\$ 547	\$ 1,946	\$ 1,891

The liabilities associated with the annual RSUP, SUP and PSUP plans are recorded at fair value at each reporting date until settlement, recognizing compensation expense over the vesting period on a straight-line basis. The fair value of the respective liabilities is based on the Fortis common share 5 day volume weighted average trading price at the end of each reporting period and the expected payout based on management's best estimate in accordance with the defined metrics of each grant.

Under the annual RSUP, SUP and PSUP agreements ("the Plans"), the amount of any outstanding awards payable to an employee who retires during the term of the grant and who has 15 years of service and provides at least six months prior notice of retirement under the terms of the Plans, is determined as if the employee continued to be an employee through the end of the performance period. In accordance with ASU 2014-12, in this situation, compensation expense for that individual is recognized over the requisite service period, instead of the performance period. In all periods presented, additional expense was recognized in accordance with ASU 2014-12 for Central Hudson

officers who are retirement eligible under terms of the Plans in which they have attained the required retirement age and met the required 15 years of service. Fluctuations in compensation expense in the comparative periods can result from changes in the Fortis Inc. common stock share price and the projected performance payout percentages.

NOTE 13 – Commitments and Contingencies

There were no significant changes in the nature and amounts of Central Hudson's commitments from those disclosed in the 2020 Annual Financial Report, except as noted below.

Energy Credit Purchase Obligations

In August 2016, the PSC issued Order 15-E-0302 adopting a Clean Energy Standard that includes Renewable Energy Credits ("RECs") and Zero-Emissions Credit ("ZECs") requirements. Since 2017, LSEs, which include Central Hudson, have been required to obtain Tier 1 RECs and ZECs in amounts determined by the PSC. LSEs may satisfy their REC obligation by either purchasing RECs acquired through central procurement by NYSERDA, by self-supply through direct purchase of tradable RECs, through value stack Tier 1 offset payments, or by making alternative compliance payments. Through March 31, 2022, LSEs will purchase ZECs from NYSERDA at tranche prices approved by the PSC based on qualifying in-state nuclear plant output and Central Hudson's full-service customer New York Control Area load-ratio share. Central Hudson's ZEC obligation is comprised of an administratively determined ZEC price, Central Hudson's monthly load volume, as defined by NYISO billing data, and a load modifier adjustment factor. The actual obligation will be determined and is contingent upon actual load served. In October 2020, the PSC issued an Order that revised the Tier 1 REC obligations through calendar year 2023 and set requirements for Tier 2 Competitive RECs through calendar year 2025. NYSERDA introduced indexed Tier 1 RECs beginning January 1, 2021. REC pricing will change each quarter (weighted average of vintage fixed and new indexed RECs) and the alternative compliance payment will be set in advance of the compliance year. These future costs are recoverable from customers through electric cost adjustment mechanisms.

At September 30, 2021, based on Central Hudson's estimated annual load to be served through March 31, 2022, the total obligation to procure ZECs is estimated to be approximately \$6.1 million. The requirement to procure ZECs will continue based upon Central Hudson's future load served to its customers through 2029. The current obligation to procure Tier 1 RECs is defined as a percentage of load served in the state through December 31, 2023 and as a "pay as you go" load basis for Tier 2 RECs; the combined Tier 1 and Tier 2 REC obligation is estimated for Central Hudson to be approximately \$9.9 million through December 31, 2025.

Other Commitments

Pension Benefit and OPEB Funding Contributions

Central Hudson is subject to certain contractual benefit payment obligations. Decisions about how to fund the Retirement and OPEB Plans to meet these obligations are made annually and are primarily affected by the discount rate used to determine benefit obligations, current asset values, corporate resources and the projection of Retirement and OPEB Plan assets. Based on the funding requirements of the Pension Protection Act of 2006, Central Hudson plans to make contributions that maintain the target funded percentage for the Retirement Plan at 80% or higher. Actual contributions could vary significantly based upon economic growth, projected investment returns, inflation and interest rate assumptions. Actual funded status could vary significantly based on asset returns and changes in the discount rate used to estimate the present value of future obligations. In January 2021, Central Hudson

made a contribution of \$0.8 million to the 401(h) Plan to fund the management OPEB liabilities, in accordance with Central Hudson's OPEB policy and strategy. Actual contributions for 2021 could vary significantly based upon economic growth, projected investment returns, inflation and interest rate assumptions. Actual funded status could vary significantly based on asset returns and changes in the discount rate used to estimate the present value of future obligations. Central Hudson has monitored the Retirement Plan's asset returns and estimated funded status change in the first three quarters of 2021 as a result of recent market volatility during the COVID-19 pandemic and is expected to make a contribution of \$0.5 million in the first quarter of 2022 to the 401(h) Plan to fund the management OPEB liabilities, in accordance with Central Hudson's OPEB policy and strategy. See Note 11 – "Post-Employment Benefits" for additional information regarding contributions.

Supplemental Executive Retirement Plan

As a result of the acquisition of CH Energy Group, Inc. by Fortis on June 27, 2013, and in accordance with the terms of the Trust agreement for the SERP, Central Hudson is required to maintain a funding level at 110% of the present value of the accrued benefits payable under the Plan on an annual basis. Annual contributions to the SERP could vary based on investment returns, discount rates, and participant demographics. Central Hudson made a contribution to the SERP Trust for 2020 of \$8.1 million in March 2021, resulting in a funding status that achieves the requirements of the Trust agreement. See Note 11 – "Post-Employment Benefits" for additional information regarding contributions.

Parental Guarantee

CHET was established to be an investor in Transco, which was created to develop, own and operate electric transmission projects in New York State. On July 16, 2020, CH Energy Group's parental guarantee to Transco was adjusted from \$182 million to \$73.7 million. The Transco Board of Directors approved the reduction based on CHET's maximum commitment associated with the AC Project, the only project remaining under Transco's original FERC application and the initial guarantee. As of September 30, 2021, CHET's investment in Transco was approximately \$12.7 million and CH Energy Group is currently not aware of any existing condition that would require any payments under this guarantee.

Contingencies

Environmental Matters

Central Hudson accrues for remediation costs based on the amounts that can be reasonably estimated at a point in time. At September 30, 2021, Central Hudson has accrued \$72.4 million with respect to all SIR activities, including operation, maintenance and monitoring costs ("OM&M"), of which \$9.0 million is anticipated to be spent in the next twelve months.

Central Hudson currently has nine sites within its service territory that are in various stages of environmental site investigation or remediation. SIR can be divided into various stages of completion based on the milestones of activities completed and reports reviewed.

These stages, the costs accrued and the sites currently in each stage include (dollars in millions):

Stage	Sites	Total Accrued Cost at September 30, 2021	Estimated spend in the next twelve months
Investigation	Little Britain Road	\$ 2.2	\$ 0.3
Remedial Alternatives Analysis		-	-
Remedial Design		-	-
Remediation	North Water Street	65.7	8.5
Post-Remediation Monitoring	Newburgh Areas A, B & C, Laurel Street, Catskill, Kingston, and Eltings Corners	4.5	0.2
No Action Required	Beacon and Bayeaux Street	-	-
Total		\$ 72.4	\$ 9.0

There were no significant updates during the first nine months of 2021 or changes in the nature and amounts of Central Hudson's contingencies related to environmental matters, except as noted below.

➤ **Remediation in Progress - Site – North Water Street**

- In the first quarter of 2020, Central Hudson revised its estimate and recorded the low end of the range of projected costs for remediation activities associated with this site based on an assessment of a high-solids hydraulic dredging remedial alternative including predictive cost modeling for a pilot test and full-scale remediation.
- In September 2020, the New York State Department of Environmental Conservation ("DEC") approved the Hydraulic Dredging Pilot Test ("HDPT") Work Plan and Water Supply Protection and Contingency Plan. Preliminary site monitoring and mobilization activities commenced in October 2020 and pilot test activities, including demobilization, were completed in January 2021.
- The goals of the pilot study were successfully achieved. Hydraulic dredging was completed in three areas with different degrees of impacted sediment (no impact, medium impact and high impact). A draft hydraulic dredge pilot test evaluation summary report was prepared which summarized the data compiled related to:
 - production rates associated with the hydraulic dredge equipment in each area including the impacts of the protective shroud attached for additional protection,
 - impacts of sheening events that occurred, the ability to contain them and the related work stoppages during the pilot,
 - impact of prescribed protective measures regarding the placement of daily clean cover and backfill on the riverbed, and
 - debris encountered in the river and the related mechanical removal.
- The report concluded that the use of hydraulic dredging was technically feasible. However, there were several factors (as noted above) that impacted the previously estimated production rates able to be achieved during the pilot. When extrapolated to full-scale remediation, the cumulative effect of these impacts on the production rates observed during the HDPT significantly increased the total estimated time to complete the dredging and backfilling remediation and, as a result of this increased time frame, also equated to a significant increase in the projected cost.
- Based on the increase in the projected time frame and cost, it was concluded by the project's Engineer of Record ("EOR") that full-scale hydraulic dredging is not practical to pursue as the sole remedial approach. Following review of the evaluation summary report, the DEC concurred that this timeframe was not practical and agreed with the conclusion of the report. At this point, the DEC has communicated that removal of source material is still the best long-term remedy for the site and as such is directing Central Hudson to examine

other methods, including a mix of alternative approaches taking into consideration the extent of removal that may be feasible.

- A scope of work for limited upland remedial activities was submitted to and approved by the DEC in May 2021. The activities were completed in June 2021.
- During 2021, Central Hudson worked with the EOR to evaluate remedial alternative approaches, including some that still fit within the framework of the DEC approved Work Plan and achieved the established regulatory clean-up objectives within a reasonable time period, as well as other approaches that considered capping or monitoring-only activities. A Focused Remedial Alternatives Analysis report presenting the evaluation of alternative approaches is anticipated to be submitted to the DEC in the fourth quarter of 2021. The accrual for remediation will continue to be updated as the alternative remedial approaches are discussed, and a path forward is agreed upon by all involved parties.
- The estimated spending as of September 30, 2021 for the next 12 months of approximately \$8.5 million is primarily based on anticipated efforts to perform the additional analysis requested and commence in-water remediation efforts in the third quarter of next year.

Future remediation activities, including OM&M and related costs may vary significantly from the assumptions used in Central Hudson's current cost estimates and these costs could have a material adverse effect (the extent of which cannot be reasonably determined) on the financial condition, results of operations and cash flows of CH Energy Group and Central Hudson if Central Hudson were unable to recover all or a substantial portion of these costs via collection in rates from customers and/or through insurance.

Central Hudson expects to recover its remediation costs from its customers. The current components of this recovery include:

- As part of the 2018 Rate Order, Central Hudson maintained previously granted deferral authority and future recovery for the differences between actual Environmental SIR costs (both manufactured gas plants ("MGP") and non-MGP) and the associated rate allowances, with carrying charges to be accrued on the deferred balances at the authorized pre-tax rate of return.
- The 2018 Rate Order includes cash recovery of approximately \$25.7 million during the three-year rate plan period ending June 30, 2021, all of which has been fully recovered. In addition, for the three months ended September 30, 2021 \$2.1M has been recovered under the terms of the existing 2018 Rate Order and will continue to be recovered at existing rates until a new Rate Order is approved.
- The total spending related to site investigation and remediation for the three months ended September 30, 2021 was approximately \$0.5 million. There was no spending related to site investigation and remediation for the three months ended September 30, 2020. For the nine months ended September 30, 2021 and 2020 spending was approximately \$2.8 million and \$2.9 million respectively.
- The regulatory asset balance including carrying charges as of September 30, 2021, December 31, 2020 and September 30, 2020 was \$78.4 million, \$84.4 million and \$87.3 million, respectively, which represents the cumulative difference between amounts spent or currently accrued as a liability and the amounts recovered to date through rates or insurance recoveries.

Central Hudson has put its insurers on notice and intends to seek reimbursement from its insurers for its costs. Certain of these insurers have denied coverage. There were no insurance recoveries during the nine months ended September 30, 2021 and 2020. We do not expect insurance recoveries to offset a meaningful portion of total costs.

Litigation

Asbestos Litigation

Central Hudson is involved in various asbestos lawsuits.

As of September 30, 2021, of the 3,383 asbestos cases brought against Central Hudson, 1,165 remain pending. Of the cases no longer pending against Central Hudson, 2,055 have been dismissed or discontinued without payment by Central Hudson and Central Hudson has settled 163 cases. Central Hudson is presently unable to assess the validity of the remaining asbestos lawsuits; however, based on information known to Central Hudson at this time, including Central Hudson's experience in settling asbestos cases and in obtaining dismissals of asbestos cases, Central Hudson believes that the costs which may be incurred in connection with the remaining lawsuits will not have a material adverse effect on the financial position, results of operations or cash flows of either CH Energy Group or Central Hudson.

Other Litigation

CH Energy Group and Central Hudson are involved in various other legal and administrative proceedings incidental to their businesses, which are in various stages. While these matters collectively could involve substantial amounts, based on the facts currently known, it is the opinion of management that their ultimate resolution will not have a material adverse effect on either CH Energy Group's or Central Hudson's financial positions, results of operations or cash flows. CH Energy Group and Central Hudson expense legal costs as incurred.

NOTE 14 – Segments and Related Information

CH Energy Group's reportable operating segments are the regulated electric utility business and regulated natural gas utility business of Central Hudson. Other activities of CH Energy Group, which do not constitute a business segment, include CHEC's investments in limited partnerships, CHET's investment in Transco (a regulated entity), CHGT which has no current activity, and the holding company's activities, which consist primarily of financing its subsidiaries, and are reported under the heading "Other Businesses and Investments."

General corporate expenses and Central Hudson's property common to both electric and natural gas segments have been allocated in accordance with practices established for regulatory purposes. The common allocation per the terms of the 2018 Rate Order is 80% for electric and 20% for natural gas.

CH Energy Group Segment Disclosure

(In Thousands)

	Three Months Ended September 30, 2021				
	Segments		Other		
	Central Hudson		Businesses		
	Electric	Natural Gas	and Investments	Eliminations	Total
Revenues from external customers	\$ 158,630	\$ 20,037	\$ -	\$ -	\$ 178,667
Intersegment revenues	16	28	-	(44)	-
Total operating revenues	158,646	20,065	-	(44)	178,667
Income (loss) before income taxes	12,976	(5,335)	254	-	7,895
Net Income (Loss) Attributable to CH Energy Group	\$ 10,601	\$ (3,904)	\$ 78	\$ -	\$ 6,775
Segment Assets at September 30, 2021	\$ 2,000,230	\$ 781,731	\$ 21,817	\$ (1,251)	\$ 2,802,527

CH Energy Group Segment Disclosure

(In Thousands)

(In Thousands)	Three Months Ended September 30, 2020				
	Segments		Other		Total
	Central Hudson		Businesses		
	Natural		and		
Electric	Gas	Investments	Eliminations		
Revenues from external customers	\$ 149,732	\$ 19,040	\$ -	\$ -	\$ 168,772
Intersegment revenues	14	18	-	(32)	-
Total operating revenues	149,746	19,058	-	(32)	168,772
Income (loss) before income taxes	20,412	(2,962)	47	-	17,497
Net Income (Loss) Attributable to CH Energy Group	\$ 16,199	\$ (1,785)	\$ 28	\$ -	\$ 14,442
Segment Assets at September 30, 2020	\$ 1,832,882	\$ 709,258	\$ 20,044	\$ (928)	\$ 2,561,256

CH Energy Group Segment Disclosure

(In Thousands)

(In Thousands)	Nine Months Ended September 30, 2021				
	Segments		Other		Total
	Central Hudson		Businesses and		
	Electric	Natural Gas	Investments	Eliminations	
Revenues from external customers	\$ 450,387	\$ 121,784	\$ -	\$ -	\$ 572,171
Intersegment revenues	46	226	-	(272)	-
Total operating revenues	450,433	122,010	-	(272)	572,171
Income before income taxes	37,103	13,380	743	-	51,226
Net Income Attributable to CH Energy Group	\$ 31,744	\$ 10,693	\$ 232	\$ -	\$ 42,669
Segment Assets at September 30, 2021	\$ 2,000,230	\$ 781,731	\$ 21,817	\$ (1,251)	\$ 2,802,527

CH Energy Group Segment Disclosure

(In Thousands)

	Nine Months Ended September 30, 2020				
	Segments		Other		Total
	Central Hudson		Businesses and		
	Electric	Natural Gas	Investments	Eliminations	
Revenues from external customers	\$ 414,374	\$ 111,297	\$ -	\$ -	\$ 525,671
Intersegment revenues	38	165	-	(203)	-
Total operating revenues	414,412	111,462	-	(203)	525,671
Income before income taxes	36,866	14,500	203	-	51,569
Net Income Attributable to CH Energy Group	\$ 30,286	\$ 11,859	\$ 96	\$ -	\$ 42,241
Segment Assets at September 30, 2020	\$ 1,832,882	\$ 709,258	\$ 20,044	\$ (928)	\$ 2,561,256

NOTE 15 – Accounting for Derivative Instruments and Hedging Activities

Purpose of Derivatives

Central Hudson enters into derivative contracts in conjunction with the Company's energy risk management program to hedge certain risk exposure related to its business operations. The derivative contracts are typically either exchange-traded or over-the-counter instruments. The primary risks the Company seeks to manage by using derivative instruments are interest rate risk, commodity price risk and adverse or unexpected weather conditions. Central Hudson uses derivative contracts to reduce the impact of volatility in the prices of natural gas and electricity and to hedge exposure to volatility in interest rates for its variable rate long-term debt. Derivative transactions are not used for speculative purposes.

Energy Contracts Subject to Regulatory Deferral

Central Hudson has been authorized to fully recover certain risk management costs through its natural gas and electricity cost adjustment mechanisms. Risk management costs are defined by the PSC as costs associated with transactions that are intended to reduce price volatility or reduce overall costs to customers. These costs include transaction costs and gains and losses associated with risk management instruments. The related gains and losses associated with Central Hudson's derivatives are included as part of Central Hudson's commodity cost and/or price-reconciled in its natural gas and electricity cost adjustment charge mechanisms and are not designated as hedges.

The percentage of Central Hudson's electric and natural gas requirements covered with fixed price forward purchases at September 30, 2021 are as follows:

Central Hudson	% of Requirement Hedged ⁽¹⁾
Electric Derivative Contracts:	0.5 million MWh
November 2021 – December 2021	40.8%
January 2022 – August 2022	21.0%
Natural Gas Derivative Contracts:	0.5 million Dth
November 2021 – December 2021	8.0%
January 2022 – March 2022	6.9%

(1) Projected coverage as of September 30, 2021.

Cash Flow Hedges

Central Hudson has been authorized to fully recover the interest costs associated with its \$33.7 million Series B NYSERDA Bonds and its \$30.0 million of variable rate debt, which includes costs and gains or losses associated with its interest rate cap contracts.

Derivative Risks

The basic types of risks associated with derivatives are market risk (that the value of the derivative will be adversely impacted by changes in the market, primarily the change in commodity prices and interest rates) and credit risk (that the counterparty will not perform according to the terms of the contract). The market risk of the derivatives generally offset the market risk associated with the hedged commodity.

The majority of Central Hudson's derivative instruments contain provisions that require Central Hudson to maintain specified issuer credit ratings and financial strength ratings. Should Central Hudson's ratings fall below these specified levels, it would be in violation of the provisions and the derivatives counterparties could terminate the contracts and request immediate payment.

To help limit the credit exposure of derivatives, Central Hudson enters into master netting agreements with counterparties whereby contracts in a gain position can be offset against contracts in a loss position. Of the 26 total agreements held by Central Hudson, 11 agreements contain credit risk contingent features. As of September 30, 2021, there were no open contracts with credit risk contingent features in a liability position.

Derivative Contracts

CH Energy Group and Central Hudson have elected gross presentation for their derivative contracts under master netting agreements and collateral positions. On September 30, 2021, December 31, 2020, and September 30, 2020, Central Hudson did not have collateral posted against the fair value amount of derivatives.

The net presentation for CH Energy Group's and Central Hudson's derivative assets and liabilities are as follows (In Thousands):

Description	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Financial Position	Net Amount of Assets Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial Position		
				Financial Instruments	Cash Collateral Received	Net Amount
As of September 30, 2021 ⁽¹⁾						
Derivative Contracts:						
Central Hudson - electric	\$ 12,681	\$ -	\$ 12,681	\$ -	\$ -	\$ 12,681
Central Hudson - natural gas	1,027	-	1,027	-	-	1,027
Total CH Energy Group and Central Hudson Assets	<u>\$ 13,708</u>	<u>\$ -</u>	<u>\$ 13,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,708</u>
As of December 31, 2020 ⁽¹⁾						
Derivative Contracts:						
Central Hudson - electric	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central Hudson - natural gas	18	-	18	14	-	4
Total CH Energy Group and Central Hudson Assets	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 4</u>
As of September 30, 2020 ⁽¹⁾						
Derivative Contracts:						
Central Hudson - electric	\$ 1,091	\$ -	\$ 1,091	\$ 112	\$ -	\$ 979
Central Hudson - natural gas	299	-	299	-	-	299
Total CH Energy Group and Central Hudson Assets	<u>\$ 1,390</u>	<u>\$ -</u>	<u>\$ 1,390</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 1,278</u>

(1) Interest rate cap agreements are not shown in the above chart. As of September 30, 2021, December 31, 2020 and September 30, 2020 the fair value was \$0.

Description	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amount of Liabilities Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial Position		
				Financial Instruments	Cash Collateral Received	Net Amount
As of September 30, 2021 ⁽¹⁾						
Derivative Contracts:						
Central Hudson - electric	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central Hudson - natural gas	-	-	-	-	-	-
Total CH Energy Group and Central Hudson Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
As of December 31, 2020 ⁽¹⁾						
Derivative Contracts:						
Central Hudson - electric	\$ 2,104	\$ -	\$ 2,104	\$ -	\$ -	\$ 2,104
Central Hudson - natural gas	49	-	49	14	-	35
Total CH Energy Group and Central Hudson Liabilities	<u>\$ 2,153</u>	<u>\$ -</u>	<u>\$ 2,153</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 2,139</u>
As of September 30, 2020 ⁽¹⁾						
Derivative Contracts:						
Central Hudson - electric	\$ 311	\$ -	\$ 311	\$ 112	\$ -	\$ 199
Central Hudson - natural gas	-	-	-	-	-	-
Total CH Energy Group and Central Hudson Liabilities	<u>\$ 311</u>	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 199</u>

(1) Interest rate cap agreements are not shown in the above chart. As of September 30, 2021, December 31, 2020 and September 30, 2020 the fair value was \$0.

Gross Fair Value of Derivative Instruments

Current accounting guidance related to fair value measurements establishes a fair value hierarchy to prioritize the inputs used in valuation techniques based on observable and unobservable data, but not the valuation techniques themselves. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or a liability. Classification of inputs is determined based on the lowest level input that is significant to the overall valuation. The fair value hierarchy prioritizes the inputs to valuation techniques into the three categories described below:

Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs: Directly or indirectly observable (market-based) information. This includes quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 Inputs: Unobservable inputs for the asset or liability for which there is either no market data, or for which asset and liability values are not correlated with market value.

Derivative contracts are measured at fair value on a recurring basis. As of September 30, 2021, December 31, 2020 and September 30, 2020, CH Energy Group's and Central Hudson's derivative assets and liabilities by category and hierarchy level are as follows (In Thousands):

Asset or Liability Category	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of September 30, 2021⁽¹⁾				
Assets:				
Derivative Contracts:				
Central Hudson - electric	\$ 12,681	\$ -	\$ 12,681	\$ -
Central Hudson - natural gas	1,027	1,027	-	-
Total CH Energy Group and Central Hudson Assets	<u>\$ 13,708</u>	<u>\$ 1,027</u>	<u>\$ 12,681</u>	<u>\$ -</u>
Liabilities:				
Derivative Contracts:				
Central Hudson - electric	\$ -	\$ -	\$ -	\$ -
Central Hudson - natural gas	-	-	-	-
Total CH Energy Group and Central Hudson Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
As of December 31, 2020⁽¹⁾				
Assets:				
Derivative Contracts:				
Central Hudson - electric	\$ -	\$ -	\$ -	\$ -
Central Hudson - natural gas	18	18	-	-
Total CH Energy Group and Central Hudson Assets	<u>\$ 18</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities:				
Derivative Contracts:				
Central Hudson - electric	\$ 2,104	\$ -	\$ 2,104	\$ -
Central Hudson - natural gas	49	49	-	-
Total CH Energy Group and Central Hudson Liabilities	<u>\$ 2,153</u>	<u>\$ 49</u>	<u>\$ 2,104</u>	<u>\$ -</u>
As of September 30, 2020⁽¹⁾				
Assets:				
Derivative Contracts:				
Central Hudson - electric	\$ 1,091	\$ -	\$ 1,091	\$ -
Central Hudson - natural gas	299	299	-	-
Total CH Energy Group and Central Hudson Assets	<u>\$ 1,390</u>	<u>\$ 299</u>	<u>\$ 1,091</u>	<u>\$ -</u>
Liabilities:				
Derivative Contracts:				
Central Hudson - electric	\$ 311	\$ -	\$ 311	\$ -
Central Hudson - natural gas	-	-	-	-
Total CH Energy Group and Central Hudson Liabilities	<u>\$ 311</u>	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ -</u>

(1) Interest rate cap agreements are not shown in the above chart. These are classified as Level 2 in the fair value hierarchy using SIFMA Municipal Swap Curves and 3 month US Dollar Libor rate forward curves. As of September 30, 2021, December 31, 2020 and September 30, 2020 the fair value was \$0.

The Effect of Derivative Instruments on the Statements of Income

Realized gains and losses on Central Hudson's derivative instruments are returned to or recovered from customers through PSC authorized deferral accounting mechanisms, with no material impact on cash flows, results of operations or liquidity. Realized gains and losses on Central Hudson's energy derivative instruments are reported as part of purchased natural gas, purchased electricity and fuel used in electric generation in CH Energy Group's and Central Hudson's Statements of Income as the

corresponding amounts are either recovered from or returned to customers through fuel cost adjustment mechanisms in revenues. Additionally, unrealized gains and losses on Central Hudson's derivative contracts have no impact on earnings since the energy contracts are subject to regulatory deferral.

For the three and nine months ended September 30, 2021 and 2020, neither CH Energy Group nor Central Hudson had derivatives designated as hedging instruments. The following table summarizes the effects of CH Energy Group's and Central Hudson's derivatives on the Statements of Income (In Thousands):

	Amount of Gain/(Loss) Recognized as Increase/(Decrease) in the Statement of Income				
	Three Months Ended September 30,		Nine Months Ended September 30,		
	2021	2020	2021	2020	Location of Gain (Loss)
Central Hudson:					
Electricity swap contracts	\$ 1,260	\$ (2,635)	\$ 3,490	\$ (13,192)	Deferred purchased electric costs ⁽¹⁾
Natural gas swap contracts	-	-	3	(941)	Deferred purchased natural gas costs ⁽¹⁾
Total CH Energy Group and Central Hudson	\$ 1,260	\$ (2,635)	\$ 3,493	\$ (14,133)	

(1) Realized gains and losses on Central Hudson's derivative instruments are conveyed to or recovered from customers through PSC authorized deferral accounting mechanisms with no net impact on results of operations.

Other Hedging Activities

Central Hudson – Electric

In October 2020, Central Hudson entered into a weather option for the period December 1, 2020 through March 31, 2021, to hedge the effect of significant variances in weather conditions on electricity costs. The aggregate limit on the contract was \$5 million. The \$1.3 million premium paid was amortized to purchased electricity over the term of the contract. The \$0.6 million payout earned was recorded as a reduction to purchased electricity in the Statement of Income, with \$0.4 million recorded in the first quarter of 2021.

In 2019, Central Hudson entered into a similar weather option for the period December 1, 2019 through March 31, 2020. The aggregate limit on the contract was \$5 million. The \$1.5 million premium paid was amortized to purchased electricity over the term of the agreement and the payout earned of \$0.1 million was recorded as a reduction to purchased electricity in the Statement of Income in the first quarter of 2020.

Central Hudson – Natural Gas

In October 2020, Central Hudson entered into a weather option for the period December 1, 2020 through March 31, 2021, to hedge the effect of significant variances in weather conditions and price on natural gas costs. The aggregate limit on the contract was \$5 million. The \$1.7 million premium paid was amortized to purchased natural gas over the term of the contract. The \$0.1 million payout earned was recorded as a reduction to purchased natural gas in the Statement of Income during the first quarter of 2021.

In 2019, Central Hudson entered into a similar weather option for the period December 1, 2019 through March 31, 2020. The aggregate limit of the contract was \$5 million. The \$2.2 million premium paid was amortized to purchased natural gas over the term of the agreement. There was no payout earned for the 2019 contract.

NOTE 16 – Other Fair Value Measurements

Other Assets Recorded at Fair Value

In addition to the derivatives reported at fair value discussed in Note 15 – “Accounting for Derivative Instruments and Hedging Activities,” CH Energy Group and Central Hudson report certain other assets at fair value in the Balance Sheets. The following table summarizes the amounts reported at fair value related to these assets (In Thousands):

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of September 30, 2021:				
Other Investments	\$ 22,171	\$ 22,171	\$ -	\$ -
As of December 31, 2020:				
Other Investments	\$ 14,776	\$ 14,776	\$ -	\$ -
As of September 30, 2020:				
Other Investments	\$ 15,103	\$ 15,103	\$ -	\$ -

As of September 30, 2021, December 31, 2020, and September 30, 2020, a portion of the trust assets for the funding of the SERP and Deferred Compensation Plan were invested in mutual funds and money market accounts, which are measured at fair value on a recurring basis. These investments are valued at quoted market prices in active markets and, as such, are Level 1 investments as defined in the fair value hierarchy. These amounts are included in “Other investments” within the Deferred Charges and Other Assets section of the CH Energy Group’s and Central Hudson’s Balance Sheets.

The remaining amount reported in “Other investments” represents trust assets for the funding of the SERP and Deferred Compensation Plan held in trust-owned life insurance policies, which are recorded at cash surrender value. As of September 30, 2021, December 31, 2020, and September 30, 2020, the total cash surrender value of trust-owned life insurance held by these trusts was approximately \$35.4 million, \$33.1 million, and \$32.4 million, respectively. The change in the cash surrender value is reported in “Other – net” income in the CH Energy Group’s and Central Hudson’s Income Statements.

Other Fair Value Disclosure

Financial instruments are recorded at carrying value in the financial statements, however, the fair value of these instruments are disclosed below in accordance with current accounting guidance related to financial instruments.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents: Carrying amount.

Short-Term Borrowings: Carrying amount.

Due to the short-term nature (typically one month or less) of these borrowings, the carrying value is equivalent to the current fair market value.

Long-term Debt: Quoted market prices for the same or similar issues (Level 2).

Valuations were obtained for each issue using the observed Treasury market in conjunction with secondary market trading levels and recent new issuances of comparable companies.

The following table discloses the estimated fair value of both CH Energy Group and Central Hudson's long-term debt, including the current maturities (Dollars in Thousands):

CH Energy Group

	September 30, 2021		December 31, 2020		September 30, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed rate debt	\$ 813,744	\$ 947,404	\$ 783,797	\$ 949,413	\$ 754,670	\$ 909,616
Variable rate debt	63,700	63,700	63,700	63,700	63,700	63,700
Total	<u>\$ 877,444</u>	<u>\$ 1,011,104</u>	<u>\$ 847,497</u>	<u>\$ 1,013,113</u>	<u>\$ 818,370</u>	<u>\$ 973,316</u>
Estimated effective interest rate		3.90%		3.98%		4.05%

Central Hudson

	September 30, 2021		December 31, 2020		September 30, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed rate debt	\$ 804,100	\$ 936,709	\$ 773,250	\$ 937,666	\$ 743,250	\$ 896,924
Variable rate debt	63,700	63,700	63,700	63,700	63,700	63,700
Total	<u>\$ 867,800</u>	<u>\$ 1,000,409</u>	<u>\$ 836,950</u>	<u>\$ 1,001,366</u>	<u>\$ 806,950</u>	<u>\$ 960,624</u>
Estimated effective interest rate		3.87%		3.94%		4.01%

NOTE 17 – Related Party Transactions

Thompson Hine LLP serves as outside counsel to CH Energy Group and Central Hudson. One partner in that firm serves as each corporation's General Counsel and Corporate Secretary. In addition, The Chazen Companies perform engineering services for Central Hudson, and a principal in the firm serves as a director of Central Hudson.

The following are fees paid by CH Energy Group and Central Hudson to Thompson Hine LLP and The Chazen Companies, respectively, as follows (In Thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
CH Energy Group (Thompson Hine LLP)	\$ 429	\$ 505	\$ 1,594	\$ 1,651
Central Hudson (Thompson Hine LLP)	\$ 418	\$ 502	\$ 1,564	\$ 1,627
Central Hudson (The Chazen Companies)	\$ 86	\$ 258	\$ 588	\$ 575

CH Energy Group and Central Hudson may provide general and administrative services ("services") to and receive services from each other, Fortis and other subsidiaries of Fortis. The costs of these services are reimbursed by the beneficiary company through accounts receivable and accounts payable, as necessary. CH Energy Group and Central Hudson may also incur charges from Fortis or each other for the recovery of general corporate expenses incurred by one another, Fortis or other affiliates. In addition, CH Energy Group and Central Hudson may also incur charges from Fortis for federal income taxes under their tax sharing agreement. These transactions are in the normal course of business and are recorded at the United States dollar amounts.

Related party transactions included in accounts receivable and accounts payable for CH Energy Group and Central Hudson are as follows (In Thousands):

	September 30, 2021	December 31, 2020	September 30, 2020
	Fortis	Fortis	Fortis
CH Energy Group ⁽¹⁾			
Accounts Receivable	\$ 598	\$ 1,350	\$ 1,032
Accounts Payable	\$ -	\$ -	\$ 158

	September 30, 2021			December 31, 2020			September 30, 2020		
	CHEG	Fortis	Other Affiliates	CHEG	Fortis	Other Affiliates	CHEG	Fortis	Other Affiliates
Central Hudson ⁽¹⁾									
Accounts Receivable	\$ 7	\$ 43	\$ 16	\$ 157	\$ 25	\$ 9	\$ 106	\$ 24	\$ 8
Accounts Payable	\$ 1,111	\$ -	\$ -	\$ 931	\$ -	\$ -	\$ 945	\$ -	\$ -

⁽¹⁾ Fortis amounts include Fortis and all Fortis subsidiaries.

Related party transactions in operating expenses for CH Energy Group and Central Hudson are as follows (In Thousands):

	Three Months Ended September 30, 2021		Three Months Ended September 30, 2020	
	CHEG	Fortis ⁽¹⁾	CHEG	Fortis ⁽¹⁾
CH Energy Group	\$ -	\$ 1,177	\$ -	\$ 955
Central Hudson	\$ 1,273	\$ -	\$ 1,075	\$ -

⁽¹⁾ Fortis amounts include Fortis and all Fortis subsidiaries.

	Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2020	
	CHEG	Fortis ⁽¹⁾	CHEG	Fortis ⁽¹⁾
CH Energy Group	\$ -	\$ 3,349	\$ -	\$ 2,897
Central Hudson	\$ 3,651	\$ -	\$ 3,263	\$ -

⁽¹⁾ Fortis amounts include Fortis and all Fortis subsidiaries.

NOTE 18 – Subsequent Events

An evaluation of subsequent events was completed through October 28, 2021, the date these Condensed Consolidated Financial Statements were available to be issued, to determine whether circumstances warranted recognition and disclosure of events or transactions in the Condensed Consolidated Financial Statements as of September 30, 2021.

On October 28, 2021, Central Hudson issued \$55 million of Series V Senior Notes, with an interest rate of 3.22% per annum and a maturity date of October 30, 2051. Central Hudson expects to use the proceeds from the sale of the Senior Notes for general corporate purposes, including the repayment of short-term borrowings.

In response to a Long Island Offshore Wind Export Public Policy Transmission Need Project Solicitation issued by the NYISO on August 12, 2021, Transco, partnering with the New York Power Authority (“NYPA”), submitted to NYISO on October 11, 2021, four separate proposed solutions to upgrade existing transmission facilities on Long Island to accommodate 3,000 MWs of anticipated offshore wind generated electricity while also proposing three alternative expansion solutions. Three unrelated developers proposed 12 other proposed solutions. NYISO’s response to the solicitation proposals, including the Transco-NYPA proposals, is expected to be issued in 2022. In the event, that a Transco-NPYA proposal is accepted by NYISO, CHET would own, and fund the equity investment associated with, 10% of Transco’s portion of the project.

VERIFICATION

(Oath to be made by the officer in charge of the accounts.
records, and memoranda of the reporting corporation.)

State of New York

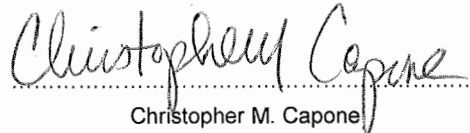
County of Dutchess

} ss:

Christopher M. Capone makes oath and says: I am the Executive Vice President and
Chief Financial Officer of Central Hudson Gas and Electric Corporation.

I am familiar with the preparation of the foregoing report and know generally the contents thereof.
The said report is true and correct to the best of my knowledge and belief. As to matters not actually
stated upon my knowledge, the sources of my information and the grounds for my belief are as follows:

The information was supplied to me by employees of said company who have prepared the
foregoing report from the books and records of the company under my supervision. I verily believe
that such information was truly and correctly prepared from the books and records of such company,
which I verily believe have been truly and correctly kept.



Christopher M. Capone

Subscribed and sworn to before me a Notary Public

This 15th day of November, 2021

DONNA M. GIAMETTA
Notary Public, State of New York
No. 01GI5067398
Qualified in Ulster County
Commission Expires Oct. 15, 2022

(Use and im-
L.S.
pression seal)


Donna M. Giametta
authorized to administer oaths)