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Rory M. Christian, Chair

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PSC Cuts Central Hudson's Rate Request

Commission Adopts Multi-Year Joint Proposal Supported by the Company, Department Staff, and Large Industrial Customers

ALBANY — The New York State Public Service Commission (Commission) today adopted a joint proposal establishing three-year electric and gas rate plans for Central Hudson Gas & Electric Corporation (Central Hudson) signed by the company, Department of Public Service staff, Multiple Intervenors, and Walmart. The Public Utilities Law Project (PULP), the Utility Intervention Unit of the Department of State, Dutchess County, and the Town of Olive Conservation Advisory Council did not sign the joint proposal but also do not oppose it. The Commission's action will significantly reduce the company's request for total electric delivery revenues by over \$17.5 million (37% decrease from request) and total gas delivery revenues by nearly \$800,000 (5% decrease from request) in the first year. The adopted joint proposal includes provisions to increase customer participation in the Energy Affordability Program, support for economic development, enhanced consumer protections, and provisions to strengthen safety and reliability of the electric and gas systems.

The joint proposal provides a moderated electric revenue requirement increase of \$29.7 million, a 5.5 percent delivery and 2.9 percent total revenue increase in the first year. In rate year two, \$31.6 million, a 5.3 percent delivery and 2.9 percent total revenue increase, and in rate year three, \$34.5 million, a 5.3 percent delivery and a 3 percent total revenue increase. The joint proposal would result in moderated gas delivery revenue requirement increases of \$14.5 million, an 8.8 percent delivery and a 5.4 percent total revenue increase in the first year, \$15.9 million, an 8.7 percent delivery and 5.6 percent total revenue increase in the second year, and \$17.5 million, a 9 percent delivery and a 5.8 percent total revenue increase in the third year. The new rate year started on July 1, 2025.

"The adopted joint proposal meets the legal requirements that the company continue to provide safe and adequate service at just and reasonable rates," **said Commission Chair Rory M. Christian.** "The three-year rate plan is in the public interest. The forward-looking plan we have adopted benefits customers and includes provisions that further important state and Commission objectives, while keeping customer affordability first and foremost in mind."

Governor Kathy Hochul made it clear the original rate proposal was too high. At Governor Kathy Hochul's direction, the Department of Public Service, staff arm for the Commission, scrutinized Central Hudson's rate case to prioritize affordability. Department staff worked to bring them down. To that end, Department staff agreed to a balanced proposed settlement that serves the public's interests by limiting Central Hudson's expenses to those necessary for providing safe, and reliable

service. The joint proposal also requires expanded outreach and education efforts to enroll more customers in the state's Energy Affordability Program, which provides substantial bill discounts to eligible households.

As part of the rate-setting process, Department staff reviewed and considered approximately 200 public comments submitted in the proceeding. The Commission also held three in-person public statement hearings, as well as an evidentiary hearing, a procedural hearing, and a technical conference. It's the Commission's responsibility to find the right balance between the resources needed to ensure system reliability and limiting costs to ratepayers. The Commission believes these agreements found the best possible path forward in this case.

Central Hudson, which provides service to 315,000 electric customers and 90,000 gas customers in New York's Mid-Hudson Valley, originally sought a base delivery revenue increase for the 12-months ending June 30, 2026, of \$47.2 million — 8.8 percent delivery or 4.6 percent total revenue and \$15.3 million — 9.4 percent delivery or 5.8 percent total revenue — for electric and gas, respectively. The joint proposal covers a three-year term through June 30, 2028.

The adopted joint proposal will result in an electric rate increase on a total bill basis for the average residential customer of 3.47 percent in the first year, 3.47 percent in the second year, and 3.23 percent in the third year. For an average residential gas customer, the increase will be 5.3 percent in the first year, 7.19 percent in the second year, and 7.27 percent in the third year.

Every rate case requires a delicate balance to ensure that the utility can continue to meet the needs of its customers in a safe, reliable, and affordable manner, while also providing an opportunity for its investors to earn a reasonable return. Capital investments ensure that Central Hudson can continue to provide safe and reliable service to its customers. Further, the joint proposal requires increased outreach and education and benefits to low-income customers through the Energy Affordability Program, including enhanced performance metrics, and is supportive of the objectives of the state's climate goals.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Numbers 24-E-0461 or 24-G-0462 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.