



Public Service Commission

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Rory M. Christian, Chair

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PSC Dramatically Reduces Central Hudson's Rate Request

Adopted Rate Plan Cuts the Company's Request by More Than Half

Commission Uses Recent \$62 Million Settlement to Reduce Customer Rates

ALBANY — The New York State Public Service Commission (Commission) today established electric and gas rate plans for Central Hudson Gas & Electric Corporation (Central Hudson) for the period starting July 1, 2024 and ending June 30, 2025, which will continue until changed by the Commission. Central Hudson delivers natural gas and electricity in a service territory that extends from the suburbs of metropolitan New York City north to the Capital Region. Central Hudson is a regulated transmission and distribution utility serving approximately 309,000 electric customers and 84,000 natural gas customers in a service territory of New York State's Mid-Hudson River Valley.

"The forward-looking plan we have adopted benefits customers and includes provisions that further important State and Commission objectives," **said Commission Chair Rory M. Christian.** "With today's decision, Central Hudson is required to pursue important energy-efficiency initiatives among other progressive policies, to advance the goals of New York State's nation-leading climate change targets, while mitigating bill impacts for low-income customers, as part of New York's energy affordability policy."

Central Hudson's initial filing sought a \$139.5 million electric revenue increase and a \$41.5 million gas revenue increase. Instead of granting the full amount, the Commission approved an electric delivery revenue increase of \$58 million (5.5 percent increase in total revenues) and a gas delivery revenue increase of \$21.2 million (7.3 percent increase in total revenues). The total increase approved for electric and gas companies was \$79.3 million, well under the \$181 million originally sought.

In addition to cutting unnecessary costs, to further moderate rates, the Commission applied regulatory assets of \$13.1 million to the electric revenue requirement and \$5.3 million to the gas revenue requirement. Additionally, the Commission recently adopted the terms and conditions of a settlement agreement in the combined prudence and enforcement proceeding, resulting in, among other things, an additional \$4 million of shareholder funds held in a customer benefit fund, which was applied to further moderate rates.

Today's electric and gas revenue increases of 5.5 percent and 7.3 percent, respectively, is substantially lower than the increases sought by the company. If the company's original proposal was

granted, Central Hudson's total revenues would have increased by 13.3 percent for electric and 14.2 percent for gas.

The significant reduction in the rate increase requested by the company was made possible by the transparent and thorough review of all cost drivers by staff and other parties. In developing this decision, the Commission reviewed a detailed record that included the testimony of parties, the judges' recommended decision, and well over 400 public comments received, both directly and at the eight public statement hearings that were held. Notably, the Commission's decision today does not set aside any ratepayer money for executive variable compensation because Central Hudson's senior management has not set an expectation of continuous improvement in the utility's performance over the period in question. Another highlight of today's decision is that Central Hudson's shareholders will pay all costs to implement monthly meter readings.

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 23-E-0418 or 23-G-0419 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.