

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

August 1, 2024

SUBJECT: Proposed Major Revenue Increase for Rate Year Ending June 30, 2026
Case Nos.: 24-E-0461 and 24-G-0462
Utility: **Central Hudson Gas & Electric Corporation**
Date Filed: August 1, 2024 Final Suspension Date: June 30, 2025

Electric Service

Central Hudson Gas and Electric Corporation (Central Hudson or the Company) is requesting an increase in annual electric delivery revenues of approximately \$47.2 million (The calculation of the delivery revenue increase for the period July 1, 2025 through June 30, 2026 does not include the impact of the electric bill credits of \$16.351 million, which will expire on June 30, 2025), 8.8 percent increase in base delivery revenues, or 4.6 percent increase in total system revenues, compared to the revenues approved by the Commission for the Company's current Rate Year. The requested increase in electric delivery revenues results in a monthly bill increase of \$9.19 (8.6 percent increase on the delivery bill, or 5.3 percent increase on the total bill) for an average residential customer using 630 kilowatt-hour per month. The major drivers of the electric revenue request include increases related to capital investment mainly associated with the replacement of aging infrastructure (57 percent); increased labor expense with a proposal to hire 24 incremental employees (18 percent); uncollectible expenses that have increased since the COVID-19 pandemic (15 percent). The Company used \$22.2 million of net regulatory liability balances to reduce electric delivery increase by approximately 32 percent.

Gas Service

Central Hudson is requesting an increase in annual gas delivery revenues of approximately \$15.3 million (The calculation of the delivery revenue increase for the period July 1, 2025 through June 30, 2026 does not include the impact of the gas bill

credits of \$6.086 million, which expire on June 30, 2025), 9.4 percent increase in base delivery revenues, or 5.8 percent increase in total system revenues, compared to the revenues approved by the Commission for the Company's current Rate Year. The requested increase in gas delivery revenues results in a monthly bill increase of about \$8.74 (7.5 percent on the delivery bill, or 5.9 percent increase on the total bill) for an average residential customer using approximately 64 hundred cubic feet per month. The major drivers of the gas revenue request include increases related to capital investment driven by the continued elimination of leak prone pipe (53 percent); increased labor expense (15 percent); uncollectible expenses that have increased since the COVID-19 pandemic (15 percent). The Company used \$11.7 million of net regulatory liability balances to reduce electric delivery increase by approximately 43 percent.

The Company states its filing focuses on providing safe and reliable service by replacing and investing in infrastructure, approximately 78 percent of the Company's electric and 89 percent of gas infrastructure investments are dedicated to replacing aging and obsolete equipment.

Rate cases are a primary instrument of government regulation of these industries. Interested persons may intervene and become parties in a utility company's rate case. Typical intervenors include: industrial, commercial and other large-scale users of electricity; public interest groups; representatives of residential, low-income and elderly customers; local municipal officials; and, dedicated advocacy groups. The applicable legal requirements require the Public Service Commission (PSC) to render a decision within 11 months after a major rate case is filed. Rate cases proceed in an entirely public and open process.