

APPENDIX

Highlights Relative to Prior Year

3 Months Ended March 31:	2006 ¹	2005 ¹	2006 More (Less) than 2005
Operating Revenues	\$317,231,000	\$286,089,000	\$31,142,000
Income Available for Common Stock	\$18,300,000	\$20,339,000	\$ (2,039,000)
Earnings Per Share of common Stock (Basic)	\$1.16	\$1.29	\$ (.13)
Average shares Outstanding (Basic)	15,762,000	15,762,000	
¹ Unaudited			

Consolidated basic earnings per share of CH Energy Group Inc. (CHEG), decreased \$.13 per share due to the following:

Regulated Electric and Natural Gas Businesses - Central Hudson Gas & Electric Corp.: - \$.12

- Down \$.14 from an increase in operating expenses mostly related to storm restoration efforts in the months of January and February 2006 and a \$.03 increase in expense related to uncollectible accounts and injuries and damages.
- Down \$.06 due to a decrease in electric net operating revenues. Total billed electric deliveries decreased 5% including an 8% decrease in deliveries to residential customers and a 4% reduction in deliveries to commercial customers, both attributable to a decrease in usage resulting from warmer weather in the first quarter of 2006. Weather decreased earnings from electric deliveries by approximately \$.05 per share. Residential heating degree-days (electric and natural gas) were 9% lower than last year and 10% lower than normal.
- Down \$.06 due to a decrease in natural gas net operating revenues primarily from the warmer weather. Despite modest customer growth, billed deliveries to firm natural gas customers decreased 14%. Deliveries to residential and commercial customers, largely space heating deliveries, each decreased 13%, while industrial deliveries, which are approximately 4% of total firm sales, decreased 29%. The decrease in heating degree-days reduced earnings by approximately \$.06 per share.
- Up \$.14 from electric and natural gas regulatory mechanisms. The increase is due to a reduction in shared earnings (8 cents) from electric operations resulting from lower ratemaking operating income to date for the rate year ending June 30, 2006, and the recording of electric and natural gas revenues (6 cents total) to restore earnings to the allowed rate of return in accordance with the provisions of Central Hudson's current Settlement Agreement.

Unregulated - Fuel Distribution Business: - \$.02

- Down \$.03 due to an increase in operating expenses and a slight increase in interest expense on inter-company debt. The increase in operating expenses is due to an increase in marketing expense, other general and administrative expenses and added expenses due to acquisitions made in the fourth quarter of 2005.
- Up \$.01 due to an increase in service profitability of \$.02 per share, which was partially offset by a decrease in gross margin from the sale of petroleum products of \$.01 per share resulting from a decrease in volumes sold due to warmer weather, customer conservation and customer attrition. Overall, sales of petroleum products decreased 7% with sales of heating oil to residential customers dropping 13% due primarily to the warmer weather. Improved margins per gallon on petroleum products and earnings from the 2005 acquisitions partially offset the decrease in gross margin. The 2005 acquisitions also increased the net residential customer count by 4%. As adjusted for billing lags, heating degree-days decreased 15%, which impacted earnings by approximately \$.05 per share, after accounting for the effect of weather-hedging contracts.

Unregulated - Other Businesses : + \$.01

- Up \$.01 due to an increase in income from short-term investments and intercompany debt held by Energy Group, the holding company.

First Quarter Results of Operations

Regulated Electric and Natural Gas Businesses - Central Hudson Gas & Electric Corp.

Utility deliveries of electricity within Central Hudson's service territory decreased 5% in the first quarter of 2006 as compared to the same quarter in 2005. Deliveries to residential and commercial customers decreased 8% and 4%, respectively, resulting from a decrease in usage due to a milder winter. Deliveries to industrial customers increased 1%. Residential heating degree-days (electric and natural gas) decreased 9% over the prior year and were 10% lower than normal.

Utility deliveries of natural gas to firm Central Hudson customers decreased 14% as compared to last year's delivery volume. Deliveries to residential and commercial customers, largely space heating deliveries, each decreased 13% due to the warmer weather and were partially offset by customer growth. Industrial sales, which are approximately 4% of total firm sales in the comparative quarters, decreased 29%, while interruptible sales decreased 5%.

Utility electric and natural gas operating revenues increased \$16.8 million (8.8%) from \$190.1 million in 2005 to \$206.9 million in 2006. Electric revenues increased \$9.4 million (7.4%) and natural gas revenues increased by \$7.4 million (11.6%) due primarily to an increase in amounts collected through Central Hudson's cost adjustment mechanisms that recover its cost of purchased electricity and natural gas. The increases are due to higher purchased electricity and natural gas costs in 2006 as compared to 2005. Electric and natural gas revenues related to regulatory mechanisms also increased due largely to revenues made available by Central Hudson's current Settlement Agreement after ratemaking operating income reached a certain level; however, these revenues were offset by a decrease in revenues from deliveries.

Total utility operating expenses, including income taxes, increased \$18.6 million (10.8%) from \$172.0 million in 2005 to \$190.6 million in 2006. The increase in operating expenses results largely from an increase in purchased electricity and natural gas expense, which increased \$7.4 million and \$8.5 million, respectively. Both reflect an increase in wholesale costs and a change in amounts recorded related to the recovery of these costs through Central Hudson's cost adjustment mechanisms for purchased electricity and natural gas costs. The total increase in purchased natural gas expense was partially offset by a decrease in volumes purchased for full service customers due to the milder winter weather. Other operating expenses, including income taxes, increased \$2.7 million reflecting an increase in storm restoration costs due to severe windstorms in January and February 2006; an increase in expense related to uncollectible accounts and injuries and damages; and increases in other general and administrative expenses. These increases were partially offset by a decrease in income taxes due to lower taxable income.

Other Income increased by \$.6 million reflecting an increase in regulatory carrying charges due from customers related to pension costs and the recording of favorable regulatory adjustments for the change in interest rates on Central Hudson's variable rate long-term debt. These adjustments offset the increase in interest on the variable rate debt noted below.

Interest Charges increased \$.7 million due to an increase in interest charges on long and short-term debt. Interest on long-term debt increased due to the issuance of medium-term notes in December of 2005 and increased interest on Central Hudson's variable rate debt. Additional short-term debt was required in the first quarter of 2006 for working capital needs due to higher fuel prices.

Unregulated - Fuel Distribution Business

Sales of petroleum products for CHEC's fuel distribution business decreased 3.7 million gallons (7.3%) to 46.9 million gallons in the first quarter of 2006 from 50.6 million gallons in the first quarter of 2005. This was due to a decrease of 4.4 million gallons (13.1%) in sales of heating oil from 33.5 million gallons in 2005 to 29.1 million in 2006. The decrease resulted from a reduction in residential sales due primarily to warmer weather in 2006 as compared to 2005, as evidenced by a 15% decrease in heating degree-days, as adjusted for billing lags. The decrease in volume was partially offset by an increase in sales from acquisitions made in the fourth quarter of 2005. Motor fuel sales increased .9 million gallons (5.6%) from 16.0 million gallons in 2005 to 16.9 million gallons in 2006 while sales of propane decreased slightly from 1.1 million gallons in 2005 to .9 million gallons in 2006. Motor fuel sales increased principally from the gain of one large volume customer. The decrease in propane sales is largely attributable to the warmer weather in 2006.

Revenues, net of the effect of weather hedging contracts, increased \$14.1 million (14.7%) from \$95.7 million in 2005 to \$109.8 million in 2006 due to a significant increase in the price of petroleum products. Revenues from petroleum products increased \$13.0 million (14.2%) from \$91.4 million in 2005 to \$104.4 million in 2006 due to an increase in the average selling price to cover the increased costs of petroleum products. Motor fuel revenues increased \$8.7 million (33.9%) from \$25.7 million in 2005 to \$34.4 million in 2006. Heating oil revenues also increased \$3.9 million (6.1%) from \$63.6 million in 2005 to \$67.5 million in 2006. Partially offsetting the overall increases in selling price was a reduction in sales volumes. Other revenues related to service and installations and energy services increased \$1.1 million.

Operating expenses for CHEC's fuel distribution business, including income taxes and interest charges, increased \$14.4 million (15.8%) from \$91.2 million in 2005 to \$105.6 million in 2006. The cost of petroleum increased \$13.5 million or 19% due to higher wholesale market prices. Other operating expenses increased \$.9 million in 2006 due to an increase in marketing expense, other general and administrative expenses, interest charges on intercompany debt, and additional expenses associated with the acquisitions made in 2005.

CH Energy Group, Inc. (consolidated) remains in a strong financial position. At March 31, 2006, CHEG had \$78.8 million in cash and cash equivalents and its current obligations included \$29 million of short-term debt outstanding and \$33 million of current maturities of long-term debt maturing on March 28, 2007.

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CH Energy Group, Inc.
Consolidated Statement of Income

	(Unaudited) 3 Months Ended March 31,	
	2006	2005
Operating Revenues		
Electric	\$136,047	\$126,658
Natural Gas	70,809	63,430
Competitive Business Subsidiaries	110,375	96,001
Total Operating Revenues	317,231	286,089
Operating Expenses		
Operations - Purchased Electricity and Fuel Used in Electric Generation, Purchased Natural Gas, and Purchased Petroleum	222,425	193,020
Other Expenses of Operation - Regulated Activities	28,495	24,730
Other Expenses of Operation - Comp. Bus. Subsidiaries	15,670	14,524
Depreciation and Amortization	8,952	9,086
Taxes, Other Than Income Tax	7,604	7,916
Total Operating Expenses	283,146	249,276
Operating Income	34,085	36,813
Other Income & Deductions		
Interest and Investment Income	2,561	2,365
Other - Net	(354)	(522)
Total Other Income & Deductions	2,207	1,843
Interest Charges		
Interest on Debt	3,953	3,247
Other Interest	1,038	1,056
Total Interest Charges	4,991	4,303
Income Before Income Taxes and Preferred Dividends of Subsidiary	31,301	34,353
Income Taxes	12,759	13,772
Income Before Preferred Dividends of Subsidiary	18,542	20,581
Cumulative Preferred Stock Dividends of Subsidiary	242	242
Net Income	18,300	20,339
Dividends Declared on Common Stock	8,511	8,512
Amount Retained in the Business	\$9,789	\$11,827
Avg. Shares of Common Stock Outstanding - (Basic) (000s)	15,762	15,762
Avg. Shares of Common Stock Outstanding - (Diluted) (000s)	15,777	15,770
Earnings Per Share - (Basic)	\$1.16	\$1.29
Earnings Per Share - (Diluted)	\$1.16	\$1.28
Dividends Declared Per Share	\$0.54	\$0.54

CH Energy Group, Inc.
Consolidated Balance Sheet

	March 31, 2006 ¹	December 31, 2005 ²
(Thousands of Dollars)		
ASSETS		
UTILITY PLANT		
Utility Plant	\$1,078,168	\$1,074,215
Less Accumulated Depreciation	338,414	333,164
	739,754	741,051
Construction Work in Progress	45,929	38,460
	785,683	779,511
OTHER PROPERTY AND PLANT & EQUIPMENT		
	22,806	23,138
CURRENT ASSETS		
Cash and Cash Equivalents	78,756	91,510
Accounts Receivable from Customers	105,312	97,462
Materials & Supplies	29,376	28,350
Fair Value of Derivative Instruments	61	0
Regulatory Assets	20,156	30,764
Special Deposits and Prepayments	23,134	24,350
Accumulated Deferred Income Tax - Net	14,147	8,836
Other	13,373	15,660
	284,315	296,932
DEFERRED CHARGES AND OTHER ASSET		
	303,332	279,925
TOTAL	\$1,396,136	\$1,379,506
 CAPITALIZATION and LIABILITIES		
CAPITALIZATION		
Common Equity ³	\$513,759	\$503,833
Cumulative Preferred Stock:		
Not subject to mandatory redemption	21,027	21,027
Long-term Debt	310,886	343,886
	845,672	868,746
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	33,000	0
Notes Payable	29,000	30,000
Accounts Payable	41,900	54,926
Accrued Interest	2,697	5,156
Dividends Payable	8,754	8,754
Accrued Taxes Payable	11,325	0
Regulatory Liabilities	61	373
Fair Value of Derivative Instruments	137	335
Other	31,342	34,627
	158,216	134,171
DEFERRED CREDITS AND OTHER LIABILITIES		
	254,109	242,805
ACCUMULATED DEFERRED INCOME TAX		
	138,139	133,784
TOTAL	\$1,396,136	\$1,379,506

¹ Unaudited.

² Subject to explanations contained in the Annual Report of the Company for the Year 2005.

³ Shares outstanding at March 31, 2006 = 15,762,000.

Shares outstanding at December 31, 2005 = 15,762,000.

Selected Financial Information

	3 Months Ended March 31,		
	2006	2005	% Variation
CENTRAL HUDSON GAS & ELECTRIC CORP.			
Sales of Electricity (Mwh): *			
Residential	555,555	605,398	(8)
Commercial	498,247	519,943	(4)
Industrial	341,913	340,168	1
Other	10,472	10,379	(1)
Total Own Territory	1,406,187	1,475,888	(5)
Sales of Gas (Mcf.): *			
Residential	2,421,517	2,791,539	(13)
Commercial	2,686,135	3,083,645	(13)
Industrial	190,992	267,622	(29)
Other	14,204	16,274	(13)
Total Firm Sales	5,312,848	6,159,080	(14)
Interruptible Sales	1,116,522	1,180,568	(5)
Total Own Territory	6,429,370	7,339,648	(12)

* Includes volumes related to Electric or Gas Energy Delivery Services.

Electric Heating Degree Days:			
Billing Cycle	2,921	3,200	(9)
Normal Billing Cycle	3,228	3,228	—
Actual in Period	2,781	3,238	(14)
Gas Heating Degree Days:			
Billing Cycle	2,875	3,152	(9)
Normal Billing Cycle	3,193	3,183	—
Actual in Period	2,713	3,203	(15)
Electric Output For Own Territory (Mwh.):			
Generated	34,329	35,524	(3)
Purchased	1,397,961	1,469,118	(5)
Total	1,432,290	1,504,642	(5)
Gas Send-out Firm Customers (Mcf.)	3,710,872	4,910,410	(24)

CH ENERGY GROUP, INC.

Earnings Per Share - (Basic)	\$1.16	\$1.29	(10)
Dividends Declared Per Share	\$0.54	\$0.54	—
	March 31	Dec. 31,	
	2006	2005	% Variation
Book Value Per Share	\$32.60	\$31.97	2
Retained Earnings (000s)	\$207,806	\$198,017	5
Common Equity Ratio (%)	56.6%	56.0%	1

CH Energy Group, Inc.

Selected Financial Indices 12 Months Ended March 31, 2006 vs. Calendar Year 2005

	12 Months Ended March 31, 2006	Calendar Year 2005
Earnings Per Share - (Basic)	\$2.68	\$2.81
Earned Return on Common Equity (Per Books)	8.33%	8.77%
Pretax Coverage of Fixed Charges	4.24 x	4.51 x
Dividends Declared	\$2.16	\$2.16
Pay-out Ratio	80.6%	76.9%
Common Equity Ratio	56.6%	56.0%
Retained Earnings (\$000)	\$207,806	\$198,017
Book Value Per Share (End of Period)	\$32.60	\$31.97

CH Energy Group Segment Information - Quarter Ended March 31, 2006

(\$000s Except Earnings Per Share)	Regulated		Unregulated		Elim(s).	Total
	Electric	Natural Gas	Fuel Distribution	Other		
Revenues from external customers	\$136,047	\$70,809	\$109,835	\$540	—	\$317,231
Intersegment revenues	3	205	—	—	\$(208)	—
Total Revenues	\$136,050	\$71,014	\$109,835	\$540	\$(208)	\$317,231
Earnings before income taxes	\$11,372	\$11,017	\$7,196	\$1,474	—	\$31,059
Net Income	\$6,443	\$6,368	\$4,318	\$1,171	—	\$18,300
Earnings per share (basic)	\$0.41	\$0.41	\$0.27	\$0.07 ⁽¹⁾	—	\$1.16
Segment Assets @ 3/31/06	\$849,802	\$294,826	\$158,549	\$93,771	\$(812)	\$1,396,136

⁽¹⁾ The amount of Unregulated EPS attributable to CHEC's other business activities was \$0.02 per share, with the balance of \$.05 per share resulting primarily from investment activity.

CH Energy Group Segment Information - Quarter Ended March 31, 2005

(\$000s Except Earnings Per Share)	Regulated		Unregulated		Elim(s).	Total
	Electric	Natural Gas	Fuel Distribution	Other		
Revenues from external customers	\$126,658	\$63,430	\$95,756	\$245	—	\$286,089
Intersegment revenues	3	167	—	—	\$(170)	—
Total Revenues	\$126,661	\$63,597	\$95,756	\$245	\$(170)	\$286,089
Earnings before income taxes	\$12,839	\$12,239	\$7,770	\$1,263	—	\$34,111
Net Income	\$7,494	\$7,254	\$4,663	\$928	—	\$20,339
Earnings per share (basic)	\$0.48	\$0.46	\$0.29	\$0.06 ⁽¹⁾	—	\$1.29
Segment Assets @ 3/31/05	\$781,256	\$265,076	\$149,305	\$115,974	\$(791)	\$1,310,820

⁽¹⁾ The amount of Unregulated EPS attributable to CHEC's other business activities was \$0.01 per share, with the balance of \$.05 per share resulting primarily from investment activity.