

September 25, 2007

To the Editor:

It's hard to find anyone today who is not concerned about the price of energy, whether in their home or their vehicle, or someone who is not committed to ensuring that they reduce their personal impact on our environment. As a nation and as individuals, we clearly recognize that America must take dramatic steps to use energy wisely; it's the right thing to do for today and for the future.

When it comes to using electricity and natural gas, Central Hudson has a long and successful tradition of helping customers better manage their energy use, and we've today proposed to launch a comprehensive new program to help customers become even more energy efficient in their homes and businesses. Today's request to the New York State Public Service Commission actually culminates a great deal of preparation. In recent months, we surveyed our customers to identify the most compelling ways that we can assist them and then used that information to design programs modeled on the most effective energy efficiency offerings in the nation – with an overarching goal to help Central Hudson customers not only lower their electric and natural gas bills but also lessen their impact on our natural environment.

We have proposed educational, appliance rebate, technology assistance and low income-customer financial-aid programs that if fully subscribed, could save a projected 1.1 million megawatt hours of electricity and 21.5 million therms of natural gas cumulatively over the lifecycle of the installed efficiency measures -- saving enough electricity to power approximately 128,000 homes and heat about 23,000 natural gas homes for one full year.

Consider:

A new ENERGY STAR®\* refrigerator uses approximately 45 percent less energy than a 15 year-old model. A new, high-efficiency, air conditioner with a seasonal efficiency rating of 13 uses about half the energy of a 15-year-old air conditioner. Compact fluorescent lamps use about 75 percent less energy than standard bulbs and last up to 10 times longer. Our customers have told us that they want our expertise to help them access this kind of information and energy-efficiency incentives, and approval of the filing we made today will allow us to fulfill that important role.

Once approved by the Commission, our new "SavingsCentral" energy efficiency program will be operational within approximately three months and will include offerings such as rebates

for upgrades to high-efficiency appliances, assistance to low-income customers and expert advice for small commercial customers in accessing programs available through the New York State Energy Research and Development Authority, NYSERDA.

In order to successfully accomplish these goals, we have requested the ability to recover costs associated with the program and to earn a modest incentive for producing these savings for customers, as well as their associated environmental benefits. Our filing also includes a so-called “RDM,” a revenue decoupling mechanism, as required by the New York State Public Service Commission earlier this year. The RDM breaks the link between sales and delivery revenues, and is a fundamental change to the way that our rates have been structured for the last century. We are willing to make this dramatic alteration because energy efficiency represents a business opportunity for us and because we realize the critical importance of helping our customers to use energy more efficiently. Such behavior is in the best interest of every one of us, our nation and our planet.

We hope that public policy makers in Albany will enthusiastically support this proposal and act very quickly on its approval. Every day that we wait represents opportunity – and energy – wasted.

Denise Doring VanBuren  
Vice President – Public Affairs and Energy Efficiency  
Central Hudson Gas & Electric Corporation