

Central Hudson Gas & Electric Corporation
 Cases 09-E-0588 and 09-G-0589
Cost of Capital for the RYE June 30, 2011

	Amount Outstanding (\$000)	Percentage %	Cost Rate %	Weighted Cost %	Pre-tax Weighted Cost ⁶ %
Long Term Debt	\$482,898	49.02%	5.05% ¹	2.48%	2.48%
Customer Deposits	8,332 ²	0.85%	2.45% ³	0.02%	0.02%
Preferred Stock	21,027	2.13%	5.05% ¹	0.11%	0.18%
Common Equity	<u>472,852</u>	<u>48.00%</u> ⁴	<u>9.60%</u> ⁵	<u>4.61%</u>	<u>7.63%</u>
Total Capital	<u>\$985,109</u>	<u>100.00%</u>		<u>7.21%</u>	<u>10.31%</u>
Pretax interest coverage =	<u>4.16</u> x				

¹ Long term debt rate per RRP- 3; preferred stock cost rates per Company.

² Customer deposits balance per SEC report.

³ Customer deposits rate effective as of January 1, 2011.

⁴ Equity ratio proposed by and adopted by the RRP

⁵ Staff recommended return on equity

⁶ Combined 35% federal income tax rate and 7.1% state income tax rate = 0.39615

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PARENT vs. SUBSIDIARY "STAND-ALONE" CAPITAL STRUCTURE

	(a)	(b)	(c)	% Weights of Reported Subsidiary Capital Structure w/ CDs (%)
	CH Energy Group Capital Structure as of 6/30/2009	Unregulated Capital	CHGE Capital Structure as of 6/30/2009 (a - b + CDs)	
Long Term Debt	463,896	50,000	413,896	48.42%
Preferred Stock	21,027	0	21,027	2.46%
Common Equity	528,511	116,911	411,600	48.15%
Total Capital w/o Customer Deposits (CDs)	1,013,434	166,911	846,523	
Customer Deposits (CDs)	8,446	114	8,332	0.97%
Total Capital w/ CDs	1,021,880	167,025	854,855	100.00%

1 Rate year capital for preferred stock determined at \$21,027 K (2.3%) and customer deposits at \$8,332 K (.90%).
 Common equity percentage rounded up to 48%, long term debt balance adjusted to \$467,550 from \$483,150
 Average rate year capital is:

\$0

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TEST YEAR ADJUSTMENTS FOR "STAND-ALONE" CAPITAL STRUCTURE

	(d)		(e)	(f)	
	<u>CHGE Filed Capital Structure for RYE 6/30/2011</u>	<u>% Weights of Filed Capital Structure w/ CDs for RYE 6/30/2011</u>	<u>CHGE Capital Structure \$-Balance Adjustment for 2009 New MTN Issuance in RYE 6/30/2011</u>	<u>CHGE \$-Adjusted Capital Structure for RYE 6/30/2011 (d + e)</u>	<u>% Weights of Adjusted \$-Balance Capital Structure w/ CDs for RYE 6/30/2011</u>
Long Term Debt	\$483,150	49.05%	(\$15,600)	\$467,550	48.23%
Preferred Stock	\$21,027	2.13%	\$0	\$21,027	2.17%
Common Equity	\$472,600	47.97%	\$0	\$472,600	48.75%
Total Capital w/o Customer Deposits (CDs)	976,777		(\$15,600)	961,177	
Customer Deposits (CDs)	8,332	0.85%	\$0	\$8,332	0.86%
Total RYE Capital	985,109	100.00%	(\$15,600)	969,509	100.00%

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COMMON EQUITY RATIO ADJUSTMENT FOR "STAND-ALONE" CAPITAL STRUCTURE

(g)

	CHGE %-C/E Ratio Adjusted Capital Structure for RYE 6/30/2011	% Weights of Adjusted %-Common Equity Ratio Capital Structure w/ CDs for RYE 6/30/2011	= +/- \$Δ	= +/- %Δ
Long Term Debt	482,898	49.02%	\$15,348	3.18%
Preferred Stock	21,027	2.13%	(\$0)	0.00%
Common Equity	472,852	48.00%	\$252	0.05%
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Total Capital w/o Customer Deposits (CDs)	976,777		15,600	
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Customer Deposits (CDs)	8,332	0.85%	\$0	0.00%
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Total RYE Capital	985,109	100.00%	15,600	3.23%

Central Hudson Gas & Electric Corporation
Cases 09-E-0588 and 09-G-0589
Moody's Long Term Corporate Bond Yield Averages
Bond Yield Averages

<u>Month/Year</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>
Aug-03	6.48	6.78	7.08
Sep-03	6.30	6.56	6.87
Oct-03	6.28	6.43	6.79
Nov-03	6.26	6.37	6.69
Dec-03	6.18	6.27	6.61
Jan-04	6.06	6.15	6.47
Feb-04	6.10	6.15	6.28
Mar-04	5.93	5.97	6.12
Apr-04	6.33	6.35	6.46
May-04	6.66	6.62	6.75
Jun-04	6.30	6.46	6.84
Jul-04	6.09	6.27	6.67
Aug-04	5.95	6.14	6.45
Sep-04	5.79	5.98	6.27
Oct-04	5.74	5.94	6.17
Nov-04	5.79	5.97	6.16
Dec-04	5.78	5.92	6.10
Jan-05	5.68	5.78	5.95
Feb-05	5.55	5.61	5.76
Mar-05	5.76	5.83	6.01
Apr-05	5.56	5.64	5.95
May-05	5.39	5.53	5.88
Jun-05	5.05	5.40	5.70
Jul-05	5.18	5.51	5.81
Aug-05	5.23	5.50	5.80
Sep-05	5.27	5.52	5.83
Oct-05	5.50	5.79	6.08
Nov-05	5.59	5.88	6.19
Dec-05	5.55	5.80	6.14
Jan-06	5.50	5.75	6.09
Feb-06	5.55	5.82	6.11
Mar-06	5.71	5.98	6.26
Apr-06	6.02	6.29	6.54
May-06	6.16	6.42	6.59
Jun-06	6.16	6.40	6.61
Jul-06	6.13	6.37	6.61
Aug-06	5.97	6.20	6.43
Sep-06	5.81	6.00	6.26
Oct-06	5.80	5.98	6.24
Nov-06	5.61	5.80	6.04
Dec-06	5.62	5.81	6.05

Jan-07	5.78	5.96	6.16
Feb-07	5.73	5.90	6.10
Mar-07	5.66	5.85	6.10
Apr-07	5.83	5.97	6.24
May-07	5.86	5.99	6.23
Jun-07	6.18	6.30	6.54
Jul-07	6.11	6.25	6.49
Aug-07	6.11	6.24	6.51
Sep-07	6.10	6.18	6.45
Oct-07	6.04	6.11	6.36
Nov-07	5.87	5.97	6.27
Dec-07	6.03	6.16	6.51
Jan-08	5.87	6.02	6.35
Feb-08	6.04	6.21	6.60
Mar-08	5.99	6.21	6.68
Apr-08	5.99	6.29	6.81
May-08	6.07	6.27	6.79
Jun-08	6.19	6.38	6.93
Jul-08	6.13	6.40	6.97
Aug-08	6.09	6.37	6.98
Sep-08	6.13	6.49	7.15
Oct-08	6.95	7.56	8.58
Nov-08	6.83	7.60	8.98
Dec-08	5.93	6.54	8.13
Jan-09	6.01	6.39	7.90
Feb-09	6.11	6.30	7.74
Mar-09	6.14	6.42	8.00
Apr-09	6.20	6.48	8.03
May-09	6.23	6.49	7.76
Jun-09	6.13	6.20	7.30
Jul-09	5.63	5.97	6.87
Aug-09	5.33	5.71	6.36
Sep-09	5.15	5.33	6.12
Oct-09			
Nov-09			
Dec-09			
Jan-10			
Feb-10			
Mar-10			
Apr-10			
May-10			
Jun-10			

Five Year Average
 (Oct. '04 to Sept. '09)

5.86% **6.09%** **6.57%**

Source: Mergent Bond Record - October 2009

The bond yields are calculated on a "yield-to-maturity," semi-annual basis, by credit rating.

Central Hudson Gas and Electric Corporation
Cases 09-E-0588 and 09-G-0589
Summary of Recommended Return on Equity

Calculation of Cost of Equity

Bank of America/Merrill Lynch Quantitative Profiles
 (Aug-Sept-Oct. 2009 Editions)

3-Mos.Avg. Implied & Required Return - S&P 500 11.95%

Risk Free Rate Average (3 months)
 10yr/30yr (July 09 - Sept. 09) 3.92%

Proxy Group Beta 0.70

Proxy Group DCF ROE (3-month avg. prices) 9.94%

Traditional CAPM ROE 9.55%

Zero Beta CAPM ROE 10.15%

Average CAPM ROE 9.85%

Proxy Group Cost of Equity
 2/3 DCF - 1/3 CAPM Weighting 9.91%

Less: Credit Quality Adjustment 0.30%

Central Hudson's ROE determination 9.61%

Recommended Central Hudson's RYE ROE 9.60%

Central Hudson Gas and Electric Corporation
Cases 09-E-0588 and 09-G-0589
Calculation of Proxy Group Cost of Equity

Value Line: Issue 1, August 28, 2009 - Electric Industry (East)
Issue 5, September 25, 2009 - Electric Industry (Central)
Issue 11, August 7, 2009 - Electric Industry (West)

(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)	
Company	Beta	Avg. Hi/Low Price ¹ 7/09-9/09	EPS 2012-14	DPS 2009	DPS 2010	DPS 2012-14	BPS 2009	BPS 2010	BPS 2012-14	# of Shares 2009	# of Shares 2012-14	DPS Growth 2012-14	Retention Rate 2013	Return on Equity 2013	B x R	Increase in Shares	MBR 2009	S Factor	V Factor	S x V	Sustainable Growth	Long-Form ROE	NI	
ALLETE	0.70	\$32.33	2.75	1.76	1.80	1.92	25.65	26.30	28.75	34.50	41.00	2.17	0.30	9.71	2.93	4.41	1.26	5.56	0.21	1.15	4.08	9.32%	ALLETE	
Alliant Energy Corp.	0.70	\$26.42	3.20	1.50	1.60	1.92	26.15	26.80	31.05	111.00	116.00	6.27	0.40	10.56	4.22	1.11	1.01	1.12	0.01	0.01	4.23	10.44%	Alliant Energy Corp.	
Ameren Corp.	0.80	\$25.72	3.00	1.54	1.54	1.70	33.15	34.00	37.25	238.00	252.00	3.35	0.43	8.18	3.54	1.44	0.78	1.12	-0.29	-0.32	3.22	9.14%	Ameren Corp.	
American Electric Power	0.70	\$30.86	3.50	1.64	1.66	1.90	27.40	28.70	33.50	477.00	490.00	4.60	0.46	10.72	4.90	0.67	1.13	0.76	0.11	0.09	4.98	10.20%	American Electric Power	
Avista Corp.	0.70	\$19.12	1.75	0.78	0.90	1.20	18.95	19.55	21.25	55.00	58.00	10.06	0.31	8.35	2.62	1.34	1.01	1.35	0.01	0.01	2.64	8.08%	Avista Corp.	
Cleco Corp	0.65	\$23.95	2.50	0.90	1.00	1.60	18.35	19.20	21.75	61.00	65.00	16.96	0.36	11.73	4.22	1.60	1.30	2.09	0.23	0.49	4.71	9.98%	Cleco Corp	
Consolidated Edison	0.65	\$39.51	3.85	2.36	2.38	2.44	35.9	36.80	40.80	278	285.00	0.83	0.37	9.60	3.52	0.62	1.10	0.69	0.09	0.06	3.58	9.16%	Consolidated Edison	
DPL Inc.	0.60	\$24.59	2.70	1.14	1.18	1.30	9.05	9.30	10.10	116.00	124.00	3.28	0.52	27.10	14.05	1.68	2.72	4.57	0.63	2.89	16.94	20.26%	DPL Inc.	
DTE Energy Co.	0.75	\$34.30	4.00	2.12	2.12	2.50	37.20	37.95	41.25	166.00	179.00	5.65	0.38	9.83	3.69	1.90	0.92	1.75	-0.08	-0.15	3.54	9.90%	DTE Energy Co.	
Duke Energy Corp.	0.65	\$15.28	1.40	0.94	0.98	1.10	16.65	16.85	17.75	1295.00	1310.00	3.93	0.21	7.96	1.70	0.29	0.92	0.26	-0.09	-0.02	1.68	6.42%	Duke Energy Corp.	
Edison International	0.80	\$32.68	4.25	1.25	1.28	1.50	29.95	31.65	38.50	325.81	325.81	5.43	0.65	11.40	7.38	0.00	1.09	0.00	0.08	0.00	7.38	11.00%	Edison International	
Empire District Electric	0.75	\$18.10	1.75	1.28	1.28	1.35	15.80	16.30	17.50	38.00	41.00	1.79	0.23	10.12	2.31	1.92	1.15	2.20	0.13	0.28	2.59	9.46%	Empire District Electric	
Entergy Corp.	0.70	\$78.52	8.00	3.00	3.00	3.60	42.50	46.75	60.50	188.00	188.00	6.27	0.55	13.79	7.59	0.00	1.85	0.00	0.46	0.00	7.59	11.17%	Entergy Corp.	
FirstEnergy Corp.	0.80	\$43.10	5.25	2.20	2.20	2.65	28.60	29.90	36.75	304.84	304.84	6.40	0.50	14.78	7.32	0.00	1.51	0.00	0.34	0.00	7.32	12.16%	FirstEnergy Corp.	
FPL Group, Inc.	0.75	\$56.34	5.50	1.89	2.00	2.30	31.05	33.95	43.25	415.00	432.00	4.77	0.58	13.23	7.70	1.01	1.81	1.83	0.45	0.82	8.52	11.65%	FPL Group, Inc.	
Hawaiian Electric	0.70	\$17.76	1.75	1.24	1.24	1.24	15.25	15.45	16.75	91.75	93.50	0.00	0.29	10.59	3.09	0.47	1.16	0.55	0.14	0.08	3.16	9.59%	Hawaiian Electric	
IDACORP, Inc.	0.70	\$27.69	2.75	1.20	1.20	1.40	29.20	31.00	36.00	48.00	52.00	5.27	0.49	7.83	3.84	2.02	0.95	1.92	-0.05	-0.10	3.74	8.14%	IDACORP, Inc.	
MGE Energy, Inc.	0.65	\$35.94	2.80	1.45	1.47	1.54	21.85	22.85	21.05	23.20	25.00	1.56	0.45	13.12	5.90	1.89	1.65	3.10	0.39	1.22	7.12	10.61%	MGE Energy, Inc.	
Northeast Utilities	0.70	\$23.31	2.25	0.95	1.00	1.15	20.25	21.25	25.00	176.00	210.00	4.77	0.49	9.24	4.52	4.51	1.15	5.20	0.13	0.68	5.20	9.35%	Northeast Utilities	
NSTAR	0.65	\$31.75	3.25	1.53	1.63	1.95	17.60	18.55	22.00	106.81	106.81	6.16	0.40	15.19	6.08	0.00	1.80	0.00	0.45	0.00	6.08	11.08%	NSTAR	
Pacific Gas & Electric Corp	0.55	\$39.92	4.25	1.68	1.80	2.20	27.80	29.80	36.25	370.00	405.00	6.92	0.48	12.11	5.84	2.29	1.44	3.28	0.30	1.00	6.84	11.21%	PG&E Corp.	
Pinnacle West Capital	0.75	\$31.87	3.25	2.10	2.10	2.20	32.95	33.65	36.50	101.50	112.00	1.56	0.32	9.02	2.92	2.49	0.97	2.41	-0.03	-0.08	2.83	9.16%	Pinnacle West Capital	
Portland General Electric	0.75	\$19.40	2.00	1.01	1.05	1.20	20.70	21.35	24.00	75.15	80.00	4.55	0.40	8.50	3.40	1.58	0.94	1.48	-0.07	-0.10	3.30	8.78%	Portland General Electric	
Progress Energy	0.65	\$38.80	3.60	2.48	2.50	2.56	31.95	33.05	36.80	280.00	288.00	0.79	0.29	9.96	2.88	0.71	1.21	0.86	0.18	0.15	3.03	9.08%	Progress Energy	
Public Service Enterprise Group	0.80	\$31.98	3.75	1.33	1.40	1.70	17.05	18.90	24.25	506.00	490.00	6.69	0.55	16.11	8.80	-0.80	1.88	-1.50	0.47	-0.70	8.10	12.19%	Southern Co.	
Southern Co.	0.55	\$31.42	3.00	1.73	1.80	2.00	18.05	18.95	21.50	796.00	823.00	3.57	0.33	14.25	4.75	0.84	1.74	1.46	0.43	0.62	5.37	10.75%	UIL Holdings Corp.	
TECO Energy, Inc.	0.85	\$13.18	1.40	0.80	0.80	0.90	9.70	10.05	11.75	214.00	218.00	4.00	0.36	12.23	4.37	0.46	1.36	0.63	0.26	0.17	4.53	10.41%	TECO Energy, Inc.	
Vectren Corp.	0.75	\$23.61	2.20	1.35	1.39	1.51	17.30	17.80	20.50	81.00	83.00	2.80	0.31	10.98	3.45	0.61	1.36	0.83	0.27	0.22	3.67	9.35%	Vectren Corp.	
Wisconsin Energy	0.65	\$43.85	4.50	1.35	1.55	2.15	30.20	32.20	38.00	117.00	117.00	11.52	0.52	12.17	6.35	0.00	1.45	0.00	0.31	0.00	6.35	10.19%	Wisconsin Energy	
Xcel Energy, Inc.	0.65	\$19.38	2.00	0.97	1.00	1.10	15.90	16.50	19.00	456.00	464.00	3.23	0.45	10.77	4.85	0.44	1.22	0.53	0.18	0.10	4.94	9.80%	Xcel Energy, Inc.	
Average	0.70	\$31.02	3.21									Average		11.64							Average	10.27%		
												Median		10.75								Median	9.94%	

Average Beta/ Price
Median Beta

Beta Price
0.70 \$31.02
0.70

¹ Stock price data from <http://finance.yahoo.com/>

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Credit Quality Adjustment
 Based on Moody's Long-Term Seasoned Utility Bonds **
 20+ years Maturities

Latest 6 Months Public Utility Bond Yields			
Month-Yr	<u>Aa</u>	<u>A</u>	<u>Baa</u>
Apr-09	6.20	6.48	8.03
May-09	6.23	6.49	7.76
Jun-09	6.13	6.20	7.30
Jul-09	5.63	5.97	6.87
Aug-09	5.33	5.71	6.36
Sep-09	<u>5.15</u>	<u>5.33</u>	<u>6.12</u>

5 -Year Average *
 (Oct. '04 to Sept. '09) **5.86%** **6.09%** **6.57%**

Spreads:

Aa	5.86%
A	6.09%
Spread	0.23%
A	6.09%
Baa	6.57%
	0.48%

Moody's Bond <u>Rating</u>	S&P Bond <u>Rating</u>	Interpolated Bond <u>Yield</u>	Interpolated Bond <u>Yields</u>		<u>Implied Yields</u>
Aaa	AAA				
Aa1	AA+				
Aa2	AA	5.86%	5.86%		
Aa3	AA-		5.94%		
A1	A+		6.02%		
A2	A	6.09%	6.09%	Central Hudson	6.18%
A3	A-		6.25%		
Baa1	BBB+		6.41%	Proxy Group	6.47%
Baa2	BBB	6.57%	6.57%		
Baa3	BBB-				
Ba1	BB+				
Ba2	BB				
Ba3	BB-				

Credit Adjustment for Central Hudson ROE Determination:

Proxy Group Bond Ratings: Moody's = Baa1; S&P = BBB+
 Proxy Group Bond Yield: **6.47%**

Central Hudson Bond Ratings: Moody's = A3; S&P = A
 Central Hudson Bond Yield: **6.17%**

Spread between Proxy Group
 and Central Hudson Bond Yield: 0.30%

Proxy Group DCF Cost of Equity: 9.94%

Ratio of Central Hudson debt yield
 to Proxy Group debt yield 95.41%

Ratio of Proxy Group Cost of
 Equity to Proxy Group bond yield: 153.67%

Central Hudson Implied DCF Cost of Equity **9.48%**

Credit Quality Adjustment per DCF **0.46%**

Applied Credit Quality Adjustment **0.30%** = 30 basis points
 2/3rds of DCF adjustment

* See Exhibit__(RRP-4) "Bond Yield Averages" for 5 year data.

** Source: Mergent Bond Record

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Proxy Group Data

Value Line	Company	Ticker	Pct. Reg. Revenues	Common Equity Ratio	S&P Bond	Moody's Bond	S&P Business Profile	S&P Business Profile	S&P Financial Profile	S&P Financial Profile			
Page	ID		Y/E 12/2008 ^a	Y/E 06/2009 ^b	Rating	Rating	Rating	Score	Rating	Score			
154	ALLETE	ALE	89	57.2	BBB+/Negative/A-2	6	Baa1/Stable	6	Strong	5	Significant	3	
157	Alliant Energy Corp.	LNT	88	54.6	BBB+/Stable/A-2	6	Baa1/Stable	6	Excellent	6	Significant	3	
160	Ameren Corp.	AEE	100	45.3	BBB-/Stable/A-3	4	Baa3/Stable	4	Satisfactory	4	Significant	3	
162	American Electric Power	AEP	90	42.4	BBB/Stable/A-2	5	Baa2/Stable	5	Excellent	6	Aggressive	2	
2233	Avista Corp.	AVA	94	47.3	BBB-/Positive/A-3	4	Baa3/Stable	4	Excellent	6	Aggressive	2	
166	Cleco Corp.	CNL	95	46.1	BBB/Stable/--	5	Baa3/Stable	4	Excellent	6	Aggressive	2	
169	Consolidated Edison Inc.	ED	84	48.0	A-/Stable/A-2	7	Baa1/Stable	6	Excellent	6	Significant	3	
170	DPL Inc.	DPL	100	39.8	A-/Stable/--	7	Baa1/Stable	6	Excellent	6	Intermediate	4	
171	DTE Energy Co.	DTE	74	42.4	BBB/Stable/A-2	5	Baa2/Stable	5	Strong	5	Significant	3	
688	Duke Energy Corp.	DUK	94	57.2	A-/Positive/A-3	7	Baa2/Stable	5	Excellent	6	Significant	3	
2235	Edison International	EIX	80	37.7	BBB-/Stable/--	4	Baa2/Stable	5	Strong	5	Aggressive	2	
690	Empire District Electric	EDE	99	46.0	BBB-/Stable/A-3	4	Baa2/Negative	5	Excellent	6	Aggressive	2	
691	Entergy Corp.	ETR	79	42.6	BBB/Stable/--	5	Baa3/Stable	4	Strong	5	Significant	3	
693	FirstEnergy Corp.	FE	88	37.7	BBB/Stable/--	5	Baa3/Stable	4	Strong	5	Significant	3	
695	FPL Group, Inc.	FPL	76	41.2	A/Stable/--	8	A2/Stable	8	Excellent	6	Intermediate	4	
2237	Hawaiian Electric Ind.	HE	83	48.6	BBB/Neagitive/A-3	5	Baa2/Negative	5	Strong	5	Significant	3	
2238	IDACORP, Inc.	IDA	100	47.8	BBB/Stable/A-2	5	Baa2/Negative	5	Excellent	6	Aggressive	2	
698	MGE Energy, Inc.	MGEE	99	64.4	AA-/Stable/A-1+	10	Aa3/Stable	10	Excellent	6	Intermediate	4	
699	Northeast Utilities	NU	98	38.5	BBB/Stable/--	5	Baa2/Stable	5	Excellent	6	Aggressive	2	
703	NSTAR	NST	95	37.7	A+/Stable/A-1	9	A2/Stable	8	Excellent	6	Intermediate	4	
2240	PG&E Corp.	PCG	100	44.1	BBB+/Stable/--	6	Baa1/Stable	6	Excellent	6	Significant	3	
2242	Pinnaacle West Capital	PNW	86	42.8	BBB-/Stable/A-3	4	Baa3/Stable	4	Strong	5	Significant	3	
2243	Portland General Electric	POR	98	52.5	BBB+/Negative/A-2	6	Baa2/Positive	5	Strong	5	Significant	3	
1786	Progress Energy	PGN	100	43.0	BBB+/Stable/A-2	6	Baa2/Stable	5	Excellent	6	Aggressive	2	
	Public Service Enterprise	PEG	126	48.3	BBB/Stable/A-2	5	Baa2/Stable	5	Excellent	6	Aggressive	2	
1787	Southern Co.	SO	99	39.4	A/Stable/A-1	8	A3/Negative	7	Excellent	6	Intermediate	4	
1789	TECO Energy, Inc.	TE	82	37.5	BBB/Stable/--	5	Baa3/Stable	4	Excellent	6	Aggressive	2	
1792	Vectren Corp.	VVC	79	44.6	A-/Stable/--	7	Baa1/Stable	6	Excellent	6	Significant	3	
709	Wisconsin Energy	WEC	99	41.4	BBB+/Stable/A-2	6	A3/Stable	7	Excellent	6	Aggressive	2	
2246	Xcel Energy, Inc.	XEL	99	44.0	BBB+/Positive/A-2	6	Baa1/Stable	6	Excellent	6	Significant	3	
	Proxy Group Average		92.4	45.3		BBB+	5.8	Baa1/Baa2	5.5	Excellent	5.7	Significant	2.8
	CH Energy Group	CHG	66	52.1		A	8	A3	7	Excellent	6	Intermediate	4

^a. Data obtained from each Company's SEC 10-K report for the year ended 12/13/2008.

^b. Data obtained from SNL Energy Financial Focus report dated September 18, 2009.

Equity ratios for Portland General, Empire District Electric and MGE Energy obtained from SEC 10Q reports for year ended June 2009.

Bond Rating Scale

By Senior
 Debt Credit Rating

Moody's Bond Rating	S&P Bond Rating	Assigned Weighting
Aaa	AAA	13
Aa1	AA+	12
Aa2	AA	11
Aa3	AA-	10
A1	A+	9
A2	A	8
A3	A-	7
Baa1	BBB+	6
Baa2	BBB	5
Baa3	BBB-	4
Ba1	BB+	3
Ba2	BB	2
Ba3	BB-	1

S&P Business
Profile Rating Assigned

Excellent	6
Strong	5
Satisfactory	4
Fair	3
Weak	2
Vulnerable	1

S&P Financial

<u>Profile Rating</u>	<u>Score</u>
Minimal	6
Modest	5
Intermediate	4
Significant	3
Aggressive	2
Highly Leveraged	1

Central Hudson Gas & Electric Corporation
Cases 09-E-0588 and 09-G-0589
Proxy Group of Electric and Gas Utility Companies
Three Month Average Prices
July 2009 through September 2009

		3-Month Avg. High-Low 7/09-9/09 Share Price	Jun-09		Jul-09		Aug-09		Sep-09		
			High	Low	High	Low	High	Low	High	Low	
1	ALLETE	ALE	32.33	29.14	26.57	32.40	27.75	34.47	31.87	34.57	32.91
2	Alliant Energy Corp.	LNT	26.42	26.26	23.61	27.17	25.00	27.15	24.73	28.78	25.67
3	Ameren Corp.	AEE	25.72	25.25	23.31	25.98	23.09	27.66	25.28	27.27	25.02
4	American Electric Power	AEP	30.86	29.16	26.00	32.36	28.07	31.88	30.27	32.13	30.47
5	Avista Corp.	AVA	19.12	18.13	15.52	18.90	17.59	20.46	18.05	20.83	18.86
6	Cleco Corp	CNL	23.95	22.81	20.56	24.22	21.47	25.3	23.51	25.43	23.74
7	Consolidated Edison	ED	39.51	37.55	35.33	39.75	36.46	40.75	39.02	41.77	39.29
8	DPL Inc.	DPL	24.59	23.67	21.57	24.63	22.48	25.3	23.92	26.62	24.61
9	DTE Energy Co.	DTE	34.30	32.43	30.52	35.55	30.59	35.7	33.53	36.46	33.97
10	Duke Energy Corp.	DUK	15.28	14.83	13.91	15.63	14.10	15.74	15.13	16.02	15.04
11	Edison International	EIX	32.68	32.52	29.07	33.20	29.71	34.31	31.05	35.2	32.58
12	Empire District Electric	EDE	18.10	16.66	15.78	18.77	16.44	19	18	18.56	17.83
13	Entergy Corp.	ETR	78.52	78.78	72.91	81.44	71.76	82.39	76.47	81.72	77.33
14	FirstEnergy Corp.	FE	43.10	41.07	37.6	42.99	36.73	45.88	40.7	47.82	44.46
15	FPL Group, Inc.	FPL	56.34	59	54.39	60.61	53.66	58.5	55.58	56.54	53.13
16	Hawaiian Electric	HE	17.76	19.25	17.24	19.45	16.5	18.17	17.12	18.6	16.7
17	IDACORP, Inc.	IDA	27.69	26.2	23.47	27.99	24.68	29.56	26.7	29.37	27.83
18	MGE Energy, Inc.	MGEE	35.94	34	31.14	36.95	33.4	37.15	35	38.23	34.93
19	Northeast Utilities	NU	23.31	22.58	20.79	23.26	21.11	24.53	22.76	24.78	23.41
20	NSTAR	NST	31.75	32.14	29.81	32.57	30.1	32.46	31.26	32.91	31.2
21	PG&E Corp.	PCG	39.92	38.64	36.3	40.85	36.59	41.16	39.44	41.97	39.53
22	Pinnacle West Capital	PNW	31.87	30.3	27.38	32.58	28.87	33.71	30.54	33.6	31.94
23	Portland General Electric	POR	19.40	20.26	18.13	20.2	17.69	19.97	18.18	20.95	19.38
24	Progress Energy	PGN	38.80	38.2	35.03	40.05	35.97	40	38.21	39.94	38.61
25	Public Service Enterprise	PEG	31.98	33.94	31.28	34.02	30.69	33.72	30.94	32.11	30.38
26	Southern Co.	SO	31.42	32.05	28.41	32.67	30.27	31.75	30.76	32.34	30.72
27	Teco Energy, Inc.	TE	13.18	12.24	11.3	13.54	11.16	13.91	12.76	14.64	13.06
28	Vectren Corp.	VVC	23.61	24.06	22.7	25.33	22.47	24.25	22.74	24.3	22.57
29	Wisconsin Energy	WEC	43.85	41.26	39.21	43.64	40.25	46.5	42.49	45.86	44.34
30	Xcel Energy, Inc.	XEL	19.38	18.77	17.25	20.19	17.44	20.06	19.16	20.29	19.12
Proxy Group Average			31.02	30.37	27.87	31.90	28.40	32.38	30.17		

Central Hudson Gas & Electric Corporation
Cases 09-E-0588 and 09-G-0589
Market Return Calculation
per Data from "Quantitative Profiles"

Issue Reported		S&P 500		S&P 500		Average of	3-Month
Date	Month	Implied	3-Month	Required	3-Month	Implied and	Average of
		Return %	Average %	Return %	Average %	Required	Implied and
						Return %	Required
							Return %
Sep-08	Aug-08	11.50		11.50		11.50	
Oct-08	Sep-08	11.70		11.40		11.55	
Nov-08	Oct-08	12.30	11.83	11.80	11.57	11.98	11.70
Dec-08	Nov-08	12.50	12.17	11.90	11.70	12.19	11.93
Jan-09	Dec-08	12.30	12.37	11.70	11.80	12.12	12.08
Feb-09	Jan-09	12.50	12.43	11.90	11.83	12.28	12.13
Mar-09	Feb-09	13.20	12.67	12.60	12.07	12.82	12.37
Apr-09	Mar-09	13.00	12.90	12.50	12.33	12.80	12.62
May-09	Apr-09	12.60	12.93	12.50	12.53	12.68	12.73
Jun-09	May-09	12.40	12.67	12.40	12.47	12.49	12.57
Jul-09	Jun-09	12.40	12.47	12.40	12.43	12.42	12.45
Aug-09	Jul-09	12.00	12.27	12.10	12.30	12.12	12.28
Sep-09	Aug-09	11.90	12.10	12.00	12.17	12.00	12.13
Oct-09	Sep-09	11.80	11.90	11.90	12.00	11.87	11.95

Central Hudson Gas & Electric Corporation
Cases 09-E-0588 and 09-G-0589
Calculation of Stayout Premiums
Based on 5 Year Average Treasury Rates
as of September 2009

Month End	Year	1-Year T--Security	5 Year Average of 1-Year T-Security	2-Year T--Security	5 Year Average of 2-Year T-Security	3-Year T--Security	5 Year Average of 3-Year T-Security	4-Year T--Security	5 Year Average of 4-Year T-Security	5-Year T--Security	5 Year Average of 5-Year T-Security
September	2009	0.40	3.18	0.96	3.30	1.48	3.42	1.93	3.56	2.37	3.70

<u>Stayout Period</u>	<u>5 Yr Average * Comparison Period</u>	<u>Percent Rate Change</u>	<u>Premium (One-half Change)</u>	<u>Basis Points</u>
2 yrs	Yr 2 vs. Yr 1	0.12	0.06	6
3 yrs	Yr 3 vs. Yr 1	0.24	0.12	12
4 yrs	Yr 4 vs. Yr 1	0.38	0.19	19
5 yrs	Yr 5 vs. Yr 1	0.52	0.26	26

* Five year period from October 2004 through September 2009.

Central Hudson Gas & Electric Corporation
Cases 09-E-0588 and 09-G-0589
Average Treasury Rates - %

	<u>10 Year</u>	<u>20 Year</u>	<u>30 Year</u>
10/1/2009	3.21	3.95	3.97
10/2/2009	3.24	3.98	4.01
10/5/2009	3.24	3.98	4.01
10/6/2009	3.27	4.03	4.07
10/7/2009	3.21	3.96	3.99
10/8/2009	3.27	4.05	4.09
10/9/2009	3.4	4.2	4.22
10/12/2009	ND	ND	ND
10/13/2009	3.34	4.14	4.16
10/14/2009	3.45	4.26	4.28
10/15/2009	3.49	4.29	4.31
10/16/2009	3.43	4.22	4.24
10/19/2009	3.41	4.19	4.21
10/20/2009	3.35	4.14	4.16
10/21/2009	3.42	4.2	4.22
10/22/2009	3.44	4.22	4.24
10/23/2009	3.51	4.27	4.29
10/26/2009	3.59	4.35	4.37
10/27/2009	3.49	4.26	4.29
10/28/2009	3.44	4.22	4.25
10/29/2009	3.53	4.31	4.35
10/30/2009	3.41	4.19	4.23

<http://www.federalreserve.gov/releases/h15/data.htm>

Average	4.19	4.16	3.39
	(10 Year)	(20 Year)	(30 Year)

10 & 30 Year = 3.79

Central Hudson Gas & Electric Corporation
Cases 09-E-0588 and 09-G-0589
RECENT HIGH GRADE UTILITY BOND ISSUANCE ACTIVITY
SIX MONTHS ENDING JUNE 30, 2009

Date	Issuer	Sector	Ratings Moody's / S&P	Term (Years)	Size (\$MM)	Pricing Spread (Basis Points)
5/11	San Diego Gas & Electric Co. (F)	Electric Utility	A1/A+	30	\$300	185
3/17	Southern California Edison (FMI)	Electric Utility	A2/A	30	\$500	235
2/26	Alabama Power Co.	Electric Utility	A2/A	30	\$500	235
2/4	Georgia Power Co.	Electric Utility	A2/A	30	\$500	225
3/10	South Carolina Elec. & Gas (FMI)	Electric Utility	A2/A-	30	\$175	240
3/18	Duke Energy Indiana (FMB)	Electric Utility	A3/A	30	\$450	270
5/19	PPL Electric Utilities (FMB)	Electric Utility	A3/A-	30	\$300	210
1/5	PacifiCorp (FMB)	Electric Utility	A3/A-	30	\$650	310
7/7	Interstate Power & Light Co.	Electric Utility	A3/BBB+	30	\$300	195
3/3	Pacific Gas & Electric Co.	Electric Utility	A3/BBB+	30	\$550	270
3/11	Florida Power & Light Co. (FMB)	Electric Utility	Aa3/A	30	\$500	220
1/21	Electricite de France S.A. (EDF)	Electric Utility	Aa3/A+	30	\$1,750	388
3/23	Consolidated Edison Co.	Electric Utility	A1/A-	10	\$475	400
3/3	Mississippi Power Co.	Electric Utility	A2/A	10	\$125	275
1/8	Progress Energy Carolinas	Electric Utility	A2/A-	10	\$600	285
5/28	Public Service Company of Colo	Electric Utility	A3/A	10	\$400	150
5/18	Central Maine Power Co.	Electric Utility	A3/A	10	\$150	250
3/18	Duke Energy Ohio (FMB)	Electric Utility	A3/A	10	\$450	250
3/25	Idaho Power Co. (FMB)	Electric Utility	A3/A-	10	\$100	340
1/5	PacifiCorp (FMB)	Electric Utility	A3/A-	10	\$350	310
3/19	Kansas City Power & Light Co.	Electric Utility	A3/BBB+	10	\$400	460
2/9	Connecticut Light & Power (FMI)	Electric Utility	A3/BBB+	10	\$250	250
1/21	Electricite de France S.A. (EDF)	Electric Utility	Aa3/A+	10	\$2,000	400
6/24	Rochester Gas & Electric (FMB)	Electric Utility	Baa1/A-	10	\$150	225
6/23	Virginia Electric & Power Co.	Electric Utility	Baa1/A-	10	\$350	138
3/23	Northwestern Energy (FMB)	Electric Utility	Baa1/A-	10	\$250	370
Average Pricing Spread						<u>273</u>

CHGE Response to IR 233: updates this list through 3Q Period Ended 2009
(wheras this one covers 2Q YTD, or the 1st 6mo. Of 2009) and...
...only used the 400bps Issue (Not the 388 bps one)

Central Hudson Gas & Electric Corporation
Cases 09-E-0588 and 09-G-0589
RECENT HIGH GRADE UTILITY BOND ISSUANCE ACTIVITY
NINE MONTHS ENDING SEPTEMBER 30, 2009

	Date	Issuer	Sector	Ratings (Moody's / S&P)	Term (Years)	Size (\$MM)	Pricing Spread (Basis Points)
195 bps o	9/8	Puget Sound Ener	Electric Utility	Baa1/A-	10	\$250	195
195 bps o	7/7/2009**	Interstate Power &	Electric Utility	A3/BBB+	30	\$300	195
185 bps o	5/11	San Diego Gas & I	Electric Utility	A1/A+	30	\$300	185
210 bps o	5/19	PPL Electric Utiliti	Electric Utility	A3/A-	30	\$300	210
250 bps o	3/18	Duke Energy Ohio	Electric Utility	A3/A	10	\$450	250
235 bps o	3/17	Southern Californi	Electric Utility	A2/A	30	\$500	235
220 bps o	3/11	Florida Power & L	Electric Utility	Aa3/A	30	\$500	220
240 bps o	3/10	South Carolina Elk	Electric Utility	A2/A-	30	\$175	240
270 bps o	3/3	Pacific Gas & Elec	Electric Utility	A3/BBB+	30	\$550	270
235 bps o	2/26	Alabama Power Co	Electric Utility	A2/A	30	\$500	235
225 bps o	2/4	Georgia Power Co	Electric Utility	A2/A	30	\$500	225
310 bps o	1/5	PacifiCorp (FMB)	Electric Utility	A3/A-	30	\$650	310
130 bps o	9/17	Duke Energy Kent	Electric Utility	Baa1/A-	10	\$100	130
125 bps o	8/3	Niagara Mohawk &	Electric Utility	A3/A-	10	\$750	125
160 bps o	7/7	Wisconsin Power	Electric Utility	A2/A-	10	\$250	160
225 bps o	6/24	Rochester Gas & I	Electric Utility	Baa1/A-	10	\$150	225
137.5 bps	6/23	Virginia Electric &	Electric Utility	Baa1/A-	10	\$350	138
150 bps o	5/28	Public Service Co	Electric Utility	A3/A	10	\$400	150
250 bps o	5/18	Central Maine Pov	Electric Utility	A3/A	10	\$150	250
340 bps o	4/13	Portland General I	Electric Utility	Baa1/a-	10	\$100	340
340 bps o	3/25	Idaho Power Co. I	Electric Utility	A3/A-	10	\$100	340
400 bps o	3/23	Consolidated Edis	Electric Utility	A1/A-	10	\$475	400
370 bps o	3/23	Northwestern Ene	Electric Utility	Baa1/A-	10	\$250	370
460 bps o	3/19	Kansas City Powe	Electric Utility	A3/BBB+	10	\$400	460
270 bps o	3/18	Duke Energy India	Electric Utility	A3/A	30	\$450	270
275 bps o	3/3	Mississippi Power	Electric Utility	A2/A	10	\$125	275
250 bps o	2/9	Connecticut Light	Electric Utility	A3/BBB+	10	\$250	250
400 bps o	1/21	Electricite de Fran	Electric Utility	Aa3/A+	10	\$2,000	400
285 bps o	1/8	Progress Energy I	Electric Utility	A2/A-	10	\$600	285
310 bps o	1/5	PacifiCorp (FMB)	Electric Utility	A3/A-	10	\$350	310
387.5 bps	1/21	Electricite de Fran	Electric Utility	Aa3/A+	30	\$1,750	388
170 bps o	9/25	Central Hudson G	Electric Utility	A3/A	30	\$24	170

*Has a 3rd Qtr. "Offering Date", (July-7-09) but Used in 2nd Qtr. "Debt Issuance Spread over Treasuries Calculation"

** Was in DT 273bps Calculation and Shown in Renner's SAR, sch. 3 Exhibit (in addition to another (2-Total) Issuance from "Electricite de France S.A (EDF)" on the Same date (1/21/2009) for 400bps. This other one (for 400bps) is included in his Updated Sample in IR-233 (152 bps Calculation))

Central Hudson Gas & Electric Corporation
Cases 09-E-0588 and 09-G-0589

Combined Profile of Companies in Dr. Morin's Proxy Groups

Company	Ticker	Pct. Reg. Revenues		Common Equity Ratio		S&P Bond		Moody's Bond		S&P Business Profile		S&P Business Profile		S&P Financial Profile	
		Beta	Y/E 12/2008 ^a	Y/E 06/2009 ^b	Rating	Weighting	Rating	Weighting	Rating	Score	Rating	Score			
Alliant Energy Corp.	LNT	0.70	88	54.6	BBB+/Stable/A-2	6	Baa1/Stable	6	Excellent	6	Significant	3			
Ameren Corp.	AEE	0.80	100	45.3	BBB-/Stable/A-3	4	Baa3/Stable	4	Satisfactory	4	Significant	3			
American Electric Power	AEP	0.70	90	42.4	BBB/Stable/A-2	5	Baa2/Stable	5	Excellent	6	Aggressive	2			
Avista Corp.	AVA	0.70	94	47.3	BBB-/Positive/A-3	4	Baa3/Stable	4	Excellent	6	Aggressive	2			
Consolidated Edison Inc.	ED	0.65	84	48.0	A-/Stable/A-2	7	Baa1/Stable	6	Excellent	6	Significant	3			
DTE Energy Co.	DTE	0.75	74	42.4	BBB/Stable/A-2	5	Baa2/Stable	5	Strong	5	Significant	3			
Duke Energy Corp.	DUK	0.65	94	57.2	A-/Positive/A-3	7	Baa2/Stable	5	Excellent	6	Significant	3			
Edison International	EIX	0.80	80	37.7	BBB-/Stable/--	4	Baa2/Stable	5	Strong	5	Aggressive	2			
Empire District Electric	EDE	0.75	99	46.0	BBB-/Stable/A-3	4	Baa2/Negative	5	Excellent	6	Aggressive	2			
Entergy Corp.	ETR	0.70	79	42.6	BBB/Stable/--	5	Baa3/Stable	4	Strong	5	Significant	3			
FirstEnergy Corp.	FE	0.80	88	37.7	BBB/Stable/--	5	Baa3/Stable	4	Strong	5	Significant	3			
FPL Group, Inc.	FPL	0.75	76	41.2	A/Stable/--	8	A2/Stable	8	Excellent	6	Intermediate	4			
MGE Energy, Inc.	MGEE	0.65	99	64.4	AA-/Stable/A-1+	10	Aa3/Stable	10	Excellent	6	Intermediate	4			
Northeast Utilities	NU	0.70	98	38.5	BBB/Stable/--	5	Baa2/Stable	5	Excellent	6	Aggressive	2			
NSTAR	NST	0.65	95	37.7	A+/Stable/A-1	9	A2/Stable	8	Excellent	6	Intermediate	4			
PG&E Corp.	PCG	0.55	100	44.1	BBB+/Stable/--	6	Baa1/Stable	6	Excellent	6	Significant	3			
Pinnacle West Capital	PNW	0.75	86	42.8	BBB-/Stable/A-3	4	Baa3/Stable	4	Strong	5	Significant	3			
Progress Energy	PGN	0.65	100	43.0	BBB+/Stable/A-2	6	Baa2/Stable	5	Excellent	6	Aggressive	2			
Public Service Enterprise	PEG	0.80	126	48.3	BBB/Stable/A-2	5	Baa2/Stable	5	Excellent	6	Aggressive	2			
Southern Co.	SO	0.55	99	39.4	A/Stable/A-1	8	A3/Negative	7	Excellent	6	Intermediate	4			
TECO Energy, Inc.	TE	0.85	82	37.5	BBB/Stable/--	5	Baa3/Stable	4	Excellent	6	Aggressive	2			
Wisconsin Energy	WEC	0.65	99	41.4	BBB+/Stable/A-2	6	A3/Stable	7	Excellent	6	Aggressive	2			
Xcel Energy, Inc.	XEL	0.65	99	44.0	BBB+/Positive/A-2	6	Baa1/Stable	6	Excellent	6	Significant	3			
Allegheny Energy	AYE	1.00	84	41.3	BBB-/Stable/--	4	Bal/Stable	3	Strong	5	Aggressive	2			
CMS Energy	CMS	0.80	94	25.5	BBB-/Stable/A-3	4	Bal/Stable	3	Excellent	6	Aggressive	2			
Exelon Corp.	EXC	0.85	62	48.4	BBB/Stable/A-2	5	Baa1/Stable	6							
Pepco Holdings	POM	0.80	51	40.1	BBB/Stable/A-2	5	Baa3/Stable	4	Strong	5	Significant	3			
NorthWestern Corp.	NWEC		91		BBB/Stable/--	5	Baa2/Positive	5							
UniSource Energy	UNS	0.70	95	26.6	NR		Bal/Stable	3							
Proxy Group Average		0.73	89.9	43.7		BBB+	5.6	Baa2	5.2	Excellent	5.7	Significant	2.7		
CH Energy Group	CHG	0.65	66	52.1		A	8	A3	7	Excellent	6	Intermediate	4		

^a: Data obtained from each Company's SEC 10-K report for the year ended 12/13/2008.

^b: Data obtained from SNL Energy Financial Focus report dated September 18, 2009.

Equity ratios for Portland General, Empire District Electric and MGE Energy obtained from SEC 10Q reports for year ended June 2009.

Bond Rating Scale

**By Senior
 Debt Credit Rating**

Moody's Bond Rating	S&P Bond Rating	Assigned Weighting
Aaa	AAA	13
Aa1	AA+	12
Aa2	AA	11
Aa3	AA-	10
A1	A+	9
A2	A	8
A3	A-	7
Baa1	BBB+	6
Baa2	BBB	5
Baa3	BBB-	4
Ba1	BB+	3
Ba2	BB	2
Ba3	BB-	1

S&P Business Profile Rating	Assigned Weighting	S&P Financial Profile Rating	Score
Excellent	6	Minimal	6
Strong	5	Modest	5
Satisfactory	4	Intermediate	4
Fair	3	Significant	3
Weak	2	Aggressive	2
Vulnerable	1	Highly Leveraged	1

Central Hudson Gas & Electric Corporation
 Cases 09-E-0588 and 09-G-0589

Treasury + Spread
(YTD Issuance & Reuters & 3Q-2009 Comparable Issuances)

STAFF 10, 20 & 30yr Avg Current US Gov Data				AVG. SPREAD <u>ABOVE TREASURY</u>			STAFF			
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>		=	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	
3.79	3.79	3.79	3.79	+ 152.5 bps	=	5.31	5.31	5.31	5.31	
				+ 84.5 bps	=	4.63	4.63	4.63	4.63	
				+ 157.5 bps	=	<u>5.36</u>	<u>5.36</u>	<u>5.36</u>	<u>5.36</u>	
<hr/>										
				Avg. = 132 bps		5.10	5.10	5.10	5.10	

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
	3.79	3.79	3.79	3.79
+	<u>131.5 bps</u>	<u>131.5 bps</u>	<u>131.5 bps</u>	<u>131.5 bps</u>

COST RATE OF DEBT (%) = 5.10 5.10 5.10 5.10

Command Cells

- 152.5** + 152.5 bps = Renners Average Spread from Debt Issuances (IR233 - Sept 2009)
- 84.5** + 84.5 bps = Reuters Avg. Spread over 10yr & 30yr Treasuries for A3/A- Rated Companies
- 157.5** + 157.5 bps = Average of the most recent debt issuances by companies that are directly comparable to the subject company (CHGE)
- 131.5**

Central Hudson Gas & Electric Corporation

Cases 09-E-0588 and 09-G-0589

Spread Calculation

Data from Reuters (Sept-09)

	STAFF INPUT	RENNER's Hypothetical Reuter's Debt Rating
10yr	72 bps (A3/A-)	10yr 300 bp (B1/B+)
30yr	97 bps (A3/A-)	30yr 225 bp (B1/B+)
Average	84.50 (A3/A-)	262.5 bps (B1/B+)

Spread Over Treasury Benchmark for Actual Issuances

Central Hudson	170 bps
Niagara Mohawk	110 bps
Rochester Gas & Electric	225 bps
Niagara Mohawk	125 bps
Avg. Recent Debt Issued by Direct	157.50

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	
Renner's September-2009 bps Spread (IR233, Att. B)	152.5	152.5	152.5	152.5	152.5 (See RRP-13 - Utility Bond Spreads)
New MTN Coupon Rate	5.43	5.43	5.43	5.43	5.43
Rueters Spread above Treasuries for A3/A Rated Utilities	85	85	85	85	85
New MTN Coupon Rate	4.75	4.75	4.75	4.75	4.75
Avg. Recent Debt Issued by Direct Comparables	158	158	158	158	158
New MTN Coupon Rate	5.48	5.48	5.48	5.48	5.48