

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
Financial Statements
for 2005, 2006, 2007 and the twelve months ended March 2008

Schedule A - Balance Sheets

Schedule B - Income Statements

Schedule C - Statement of Retained Earnings

Central Hudson Gas & Electric Corporation
Balance Sheet
Assets and Other Debits

<u>Acct. No.</u>	<u>Account Title</u>	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2007</u>	<u>Mar. 31, 2008</u>
101-106,114	Utility Plant	\$1,074,214,267	\$1,120,551,444	\$1,169,800,706	\$1,197,267,445
107	Construction Work in Progress	38,460,436	51,041,270	75,866,230	60,650,307
	Total Utility Plant	1,112,674,703	1,171,592,714	1,245,666,936	1,257,917,752
108,111,115	(Less) Accum. Prov. for Depr. Amort. Depl.	425,350,586	389,142,196	402,172,213	408,648,292
	Net Utility Plant	687,324,117	782,450,518	843,494,723	849,269,460
120	Nuclear Fuel	0	0	0	0
120.5	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies	0	0	0	0
	Net Nuclear Fuel	0	0	0	0
	Net Utility Plant	687,324,117	782,450,518	843,494,723	849,269,460
121	Nonutility Property	741,884	454,644	438,390	438,390
122	(Less) Accum. Prov. for Depr. and Amort.	24,566	27,009	29,452	30,064
123.1	Investment in Subsidiary Companies	92,790	93,013	93,228	93,228
124	Other Investments	79,008	73,922	73,922	73,922
125 - 128	Special Funds	72,644,114	62,742,895	51,686,579	44,723,132
	Total Other Property and Investments	73,533,230	63,337,465	52,262,667	45,298,608
131	Cash	4,017,336	1,500,170	3,383,680	3,304,205
132 - 134	Special Deposits	4,395,930	5,845,475	3,962,434	2,652,241
135	Working Fund	127,500	122,500	122,500	122,500
136	Temporary Cash Investments	0	0	0	0
142	Customer Accounts Receivable	64,455,353	36,503,590	73,183,447	79,919,007
143	Other Accounts Receivable	2,113,003	2,502,158	1,900,755	1,303,414
144	(Less) Accum. Prov. for Uncollectible Acct.-Credit	3,400,000	3,800,000	2,761,484	3,100,000
146	Accounts Receivable from Assoc. Companies	535,244	323,199	671,709	543,920
151	Fuel Stock	757,880	726,042	924,968	905,742
154	Plant Materials and Operating Supplies	6,133,714	6,437,939	7,094,642	7,548,424
163	Stores Expense Undistributed	7,215	1	1	101,792
164.1	Gas Stored Underground - Current	16,511,900	15,639,879	16,250,105	6,304,098
165	Prepayments	9,442,776	12,748,856	18,026,464	17,204,619
171	Interest and Dividends Receivable	0	0	0	0
172	Rents Receivable	220,037	208,756	283,430	136,029
173	Accrued Utility Revenues	9,333,839	9,772,204	12,021,940	11,432,855
174	Miscellaneous Current and Accrued Assets	2,329,593	2,414,657	2,492,084	2,460,345
175	Derivative Instrument Assets	373,392	0	0	0
	Total Current and Accrued Assets	117,354,712	90,945,426	137,556,675	130,839,191
181	Unamortized Debt Expense	3,972,600	4,041,374	4,344,614	4,250,665
182.3	Other Regulatory Assets	170,012,344	243,157,337	183,065,589	183,230,798
183	Prelim. Survey and Investigation Charges (Electric)	0	79,169	0	0
183.1	Prelim. Natural Gas Survey and Investigation Charges	0	11,830	0	0
184	Clearing Accounts	375,759	1,234,698	1,029,038	1,585,547
186	Miscellaneous Deferred Debits	24,584,510	3,219,370	2,592,369	2,404,990
188	Research, Devel. and Demonstration Expend.	155,724	(164,836)	(157,743)	(289,588)
189	Unamortized Loss on Reacquired Debt	7,225,703	6,626,231	6,032,016	5,884,401
190	Accumulated Deferred Income Taxes	69,937,300	79,223,100	83,673,700	84,592,200
	Total Deferred Debits	276,263,940	337,428,273	280,579,583	281,659,013
	Total Assets and Other Debits	\$1,154,475,999	\$1,274,161,682	\$1,313,893,648	\$1,307,066,272

Central Hudson Gas & Electric Corporation
Balance Sheet
Liabilities and Other Credits

<u>Acct. No.</u>	<u>Account Title</u>	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2007</u>	<u>Mar. 31, 2008</u>
201	Common Stock Issued	\$84,310,435	\$84,310,435	\$84,310,435	\$84,310,435
204	Preferred Stock Issued	21,026,500	21,026,500	21,026,500	21,026,500
207	Premium on Capital Stock	63,868,866	63,868,866	63,868,866	63,868,866
208 - 211	Other Paid-in Capital	111,111,522	111,111,522	111,111,522	111,111,522
214	(Less) Capital Stock Expense	4,960,934	4,960,934	4,960,934	4,960,934
215,215.1,216	Retained Earnings	43,252,535	68,652,836	92,618,804	104,123,547
216.1	Unappropriated Undistributed Subsidiary Earnings	56,923	57,146	57,361	57,361
217	(Less) Reacquired Capital Stock	0	0	0	0
	Total Proprietary Capital	318,665,847	344,066,371	368,032,554	379,537,297
221	Bonds	0	0	0	0
224	Other Long-Term Debt	343,950,000	370,950,000	403,950,000	403,950,000
226	(Less) Unamortized Discount on Long-Term Debt-Debit	64,405	61,429	58,453	57,709
	Total Long-Term Debt	343,885,595	370,888,571	403,891,547	403,892,291
228.2	Accumulated Provision for Injuries and Damages	5,137,100	3,936,018	4,242,779	4,390,613
228.4	Accumulated Miscellaneous Operating Provisions	0	0	0	0
	Total Other Noncurrent Liabilities	5,137,100	3,936,018	4,242,779	4,390,613
231	Notes Payable	30,000,000	13,000,000	42,500,000	22,000,000
232	Accounts Payable	40,881,216	32,409,520	29,766,275	37,309,107
234	Accounts Payable to Associated Companies	2,738	8,273	5,063	1,011
235	Customer Deposits	6,932,213	7,810,612	7,989,718	8,114,125
236	Taxes Accrued	1,159,167	(9,798,957)	3,915,798	7,963,155
237	Interest Accrued	5,155,604	5,645,262	6,126,614	4,242,079
238	Dividends Declared	242,447	242,447	242,447	242,447
241	Tax Collections Payable	314,779	(56,662)	343,663	383,330
242	Miscellaneous Current and Accrued Liabilities	10,310,323	12,395,879	13,169,711	11,580,184
244	Derivative Instruments Liabilities	688,800	2,970,889	1,235,220	(590,656)
	Total Current and Accrued Liabilities	95,687,287	64,627,263	105,294,509	91,244,782
252	Customer Advances for Construction	143,318	881,942	1,430,330	1,333,502
255	Accumulated Deferred Investment Tax Credits	2,613,200	2,247,000	1,900,000	1,821,000
253	Other Deferred Credits	140,015,167	201,633,094	145,757,171	140,144,289
254	Other Regulatory Liabilities	62,198,885	84,356,523	72,983,358	72,450,998
281 - 285	Accumulated Deferred Income Taxes	186,129,600	201,524,900	210,361,400	212,251,500
	Total Deferred Credits	391,100,170	490,643,459	432,432,259	428,001,289
	Total Liabilities and Other Credits	\$1,154,475,999	\$1,274,161,682	\$1,313,893,648	\$1,307,066,272

Central Hudson Gas & Electric Corporation
Income Statement
For the Twelve Months Ended March 31, 2008

EXHIBIT___(AP-1)
Schedule B
Sheet 1 of 4

<u>Acct. No.</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
	UTILITY OPERATING INCOME			
400	Operating Revenues	\$608,994,909	\$177,756,813	\$786,751,722
	Operating Expenses			
401	Operation Expenses	481,098,911	144,892,795	625,991,706
402	Maintenance Expenses	21,943,929	4,981,079	26,925,008
403	Depreciation Expense	22,068,779	5,941,843	28,010,622
404 - 405	Amort. & Depl. of Utility Plant	396,652	69,998	466,650
408.1	Taxes Other Than Income Taxes	27,946,095	7,597,836	35,543,931
409.1	Income Taxes -- Federal	9,579,000	5,885,000	15,464,000
409.1	-- Other	1,859,000	1,184,000	3,043,000
410.1	Provision for Deferred Income Taxes	18,358,500	2,609,400	20,967,900
411.1	(Less) Provision for Deferred Income Taxes -Cr.	13,307,900	5,402,900	18,710,800
411.9	Accretion Expense	32,142	1,822	33,964
	Total Utility Operating Expenses	569,975,108	167,760,873	737,735,981
	Net Utility Operating Income	\$39,019,801	\$9,995,940	\$49,015,741
	OTHER INCOME AND DEDUCTIONS			
	Other Income			
	Nonutility Operating Income			
415	Revenues From Merchandising, Jobbing and Contract Work			188,521
416	(Less) Costs and Exp. of Merchandising, Job. & Contract Work			160,802
417.1	(Less) Expenses of Nonutility Operations			0
418	Nonoperating Rental Income			12,557
418.1	Equity in Earnings of Subsidiary Companies			215
419	Interest and Dividend Income			245,451
419.1	Allowance for Other Funds Used During Construction			0
421	Miscellaneous Nonoperating Income			5,891,077
421.1	Gain on Disposition of Property			300,188
	Total Other Income			6,477,207
	Other Income Deductions			
421.2	Loss on Disposition of Property			0
425	Miscellaneous Amortization			90,648
426.1 - 426.5	Miscellaneous Income Deductions			432,115
	Total Other Income Deductions			522,763
	Taxes Applicable to Other Income and Deductions			
408.2	Taxes Other Than Income Taxes			107,084
409.2	Income Taxes -- Federal			(1,670,000)
410.2	Provision for Deferred Inc. Taxes			2,374,800
411.2	(Less) Provision for Deferred Income Taxes -- Cr.			968,700
420	(Less) Investment Tax Credits			340,000
	Total Taxes on Other Income and Deductions			(496,816)
	Net Other Income and Deductions			6,451,260
	INTEREST CHARGES			
427	Interest on Long-Term Debt			19,250,061
428	Amort. of Debt Disc. and Expense			369,189
428.1	Amortization of Loss on Reacquired Debt			591,962
431	Other Interest Expense			4,400,755
432	(Less) Allowance for Borrowed Funds Used During Construction-Cr.			956,907
	Net Interest Charges			23,655,060
	Income Before Extraordinary Items			31,811,941
	EXTRAORDINARY ITEMS			
434	Extraordinary Income			0
435	(Less) Extraordinary Deductions			0
	Net Extraordinary Items			0
409.3	Income Taxes -- Federal and Other			0
	Extraordinary Items After Taxes			
	Net Income			\$31,811,941

Central Hudson Gas & Electric Corporation
Income Statement
For the Year Ended December 31, 2007

EXHIBIT___(AP-1)
Schedule B
Sheet 2 of 4

<u>Acct. No.</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
	UTILITY OPERATING INCOME			
400	Operating Revenues	\$616,854,220	\$165,749,700	\$782,603,920
	Operating Expenses			
401	Operation Expenses	489,298,895	133,166,090	622,464,985
402	Maintenance Expenses	21,467,499	4,726,210	26,193,709
403	Depreciation Expense	21,952,072	6,094,896	28,046,968
404 - 405	Amort. & Depl. of Utility Plant	299,395	52,835	352,230
408.1	Taxes Other Than Income Taxes	27,063,824	7,512,657	34,576,481
409.1	Income Taxes -- Federal	11,148,000	4,033,000	15,181,000
409.1	-- Other	2,852,000	738,000	3,590,000
410.1	Provision for Deferred Income Taxes	16,882,100	4,201,800	21,083,900
411.1	(Less) Provision for Deferred Income Taxes -Cr.	13,886,300	4,806,500	18,692,800
411.9	Accretion Expense	30,737	1,631	32,368
	Total Utility Operating Expenses	577,108,222	155,720,619	732,828,841
	Net Utility Operating Income	\$39,745,998	\$10,029,081	\$49,775,079
	OTHER INCOME AND DEDUCTIONS			
	Other Income			
	Nonutility Operating Income			
415	Revenues From Merchandising, Jobbing and Contract Work			189,089
416	(Less) Costs and Exp. of Merchandising, Job. & Contract Work			161,274
417.1	(Less) Expenses of Nonutility Operations			
418	Nonoperating Rental Income			9,557
418.1	Equity in Earnings of Subsidiary Companies			215
419	Interest and Dividend Income			716,980
419.1	Allowance for Other Funds Used During Construction			0
421	Miscellaneous Nonoperating Income			5,138,145
421.1	Gain in Disposition of Property			468,335
	Total Other Income			6,361,047
	Other Income Deductions			
421.2	Loss on Disposition of Property			0
425	Miscellaneous Amortization			90,648
426.1 - 426.5	Miscellaneous Income Deductions			427,909
	Total Other Income Deductions			518,557
	Taxes Applic. to Other Income and Deductions			
408.2	Taxes Other Than Income Taxes			111,239
409.2	Income Taxes -- Federal			(1,550,000)
410.2	Provision for Deferred Inc. Taxes			1,945,100
411.2	(Less) Provision for Deferred Income Taxes -- Cr.			884,500
420	(Less) Investment Tax Credits			347,000
	Total Taxes on Other Income and Deductions			(725,161)
	Net Other Income and Deductions			6,567,651
	INTEREST CHARGES			
427	Interest on Long-Term Debt			18,653,163
428	Amort. of Debt Disc. and Expense			368,810
428.1	Amortization of Loss on Reacquired Debt			594,215
431	Other Interest Expense			4,378,309
432	(Less) Allowance for Borrowed Funds Used During Construction-Cr.			1,087,738
	Net Interest Charges			22,906,759
	Income Before Extraordinary Items			33,435,971
	EXTRAORDINARY ITEMS			
434	Extraordinary Income			
435	(Less) Extraordinary Deductions			
	Net Extraordinary Items			0
409.3	Income Taxes -- Federal and Other			
	Extraordinary Items After Taxes			
	Net Income			\$33,435,971

Central Hudson Gas & Electric Corporation
Income Statement
For the Year Ended December 31, 2006

EXHIBIT___(AP-1)
Schedule B
Sheet 3 of 4

<u>Acct. No.</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
	UTILITY OPERATING INCOME			
400	Operating Revenues	\$503,922,288	\$155,591,072	\$659,513,360
	Operating Expenses			
401	Operation Expenses	381,937,905	121,529,386	503,467,291
402	Maintenance Expenses	20,661,935	4,478,059	25,139,994
403	Depreciation Expense	22,234,725	6,615,499	28,850,224
404 - 405	Amort. & Depl. of Utility Plant	127,915	23,797	151,712
408.1	Taxes Other Than Income Taxes	26,067,882	7,066,887	33,134,769
409.1	Income Taxes -- Federal	2,178,200	(884,000)	1,294,200
409.1	-- Other	608,000	(695,000)	(87,000)
410.1	Provision for Deferred Income Taxes	23,091,600	8,017,000	31,108,600
411.1	(Less) Provision for Deferred Income Taxes -Cr.	10,098,100	1,021,800	11,119,900
411.9	Accretion Expense	28,961	1,537	30,498
	Total Utility Operating Expenses	466,839,023	145,131,365	611,970,388
	Net Utility Operating Income	\$37,083,265	\$10,459,707	\$47,542,972
	OTHER INCOME AND DEDUCTIONS			
	Other Income			
	Nonutility Operating Income			
415	Revenues From Merchandising, Jobbing and Contract Work			73,663
416	(Less) Costs and Exp. of Merchandising, Job. & Contract Work			142,559
418	Nonoperating Rental Income			6,557
418.1	Equity in Earnings of Subsidiary Companies			223
419	Interest and Dividend Income			446,431
419.1	Allowance for Other Funds Used During Construction			0
421	Miscellaneous Nonoperating Income			6,145,443
421.1	Gain in Disposition of Property			2,217,541
	Total Other Income			8,747,299
	Other Income Deductions			
421.2	Loss on Disposition of Property			0
425	Miscellaneous Amortization			90,648
426.1 - 426.5	Miscellaneous Income Deductions			419,078
	Total Other Income Deductions			509,726
	Taxes Applic. to Other Income and Deductions			
408.2	Taxes Other Than Income Taxes			165,905
409.2	Income Taxes -- Federal			(935,000)
410.2	Provision for Deferred Inc. Taxes			2,208,400
411.2	(Less) Provision for Deferred Income Taxes -- Cr.			575,200
420	(Less) Investment Tax Credits			366,200
	Total Taxes on Other Income and Deductions			497,905
	Net Other Income and Deductions			7,739,668
	INTEREST CHARGES			
427	Interest on Long-Term Debt			16,425,334
428	Amort. of Debt Disc. and Expense			391,982
428.1	Amortization of Loss on Reacquired Debt			599,472
431	Other Interest Expense			3,621,473
432	(Less) Allowance for Borrowed Funds Used During Construction-Cr.			625,933
	Net Interest Charges			20,412,328
	Income Before Extraordinary Items			34,870,312
	EXTRAORDINARY ITEMS			
434	Extraordinary Income			
435	(Less) Extraordinary Deductions			
	Net Extraordinary Items			0
409.3	Income Taxes -- Federal and Other			
	Extraordinary Items After Taxes			
	Net Income			\$34,870,312

Central Hudson Gas & Electric Corporation
Income Statement
For the Year Ended December 31, 2005

EXHIBIT ___(AP-1)
Schedule B
Sheet 4 of 4

<u>Acct. No.</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
	UTILITY OPERATING INCOME			
400	Operating Revenues	\$521,007,575	\$155,956,617	\$676,964,192
	Operating Expenses			
401	Operation Expenses	403,096,269	119,747,700	522,843,969
402	Maintenance Expenses	15,803,491	4,492,123	20,295,614
403	Depreciation Expense	23,160,463	6,658,546	29,819,009
404 - 405	Amort. & Depl. of Utility Plant	47,140	8,319	55,459
408.1	Taxes Other Than Income Taxes	25,942,644	7,218,788	33,161,432
409.1	Income Taxes -- Federal	6,858,000	3,635,000	10,493,000
409.1	-- Other	970,000	754,000	1,724,000
410.1	Provision for Deferred Income Taxes	21,813,200	5,181,900	26,995,100
411.1	(Less) Provision for Deferred Income Taxes -Cr.	12,461,900	3,168,200	15,630,100
	Total Utility Operating Expenses	485,229,307	144,528,176	629,757,483
	Net Utility Operating Income	\$35,778,268	\$11,428,441	\$47,206,709
	OTHER INCOME AND DEDUCTIONS			
	Other Income			
	Nonutility Operating Income			
415	Revenues From Merchandising, Jobbing and Contract Work			162,688
416	(Less) Costs and Exp. of Merchandising, Job. & Contract Work			190,769
418	Nonoperating Rental Income			4,352
418.1	Equity in Earnings of Subsidiary Companies			462
419	Interest and Dividend Income			556,353
419.1	Allowance for Other Funds Unsed During Construction			0
421	Miscellaneous Nonoperating Income			6,264,547
421.1	Gain in Disposition of Property			0
	Total Other Income			6,797,633
	Other Income Deductions			
421.2	Loss on Disposition of Property			0
425	Miscellaneous Amortization			90,648
426.1 - 426.5	Miscellaneous Income Deductions			732,863
	Total Other Income Deductions			823,511
	Taxes Applic. to Other Income and Deductions			
408.2	Taxes Other Than Income Taxes			148,472
409.2	Income Taxes -- Federal			(1,093,000)
410.2	Provision for Deferred Inc. Taxes			2,464,200
411.2	(Less) Provision for Deferred Income Taxes -- Cr.			660,500
420	(Less) Investment Tax Credits			358,000
	Total Taxes on Other Income and Deductions			501,172
	Net Other Income and Deductions			5,472,950
	INTEREST CHARGES			
427	Interest on Long-Term Debt			13,826,389
428	Amort. of Debt Disc. and Expense			370,430
428.1	Amortization of Loss on Reacquired Debt			672,762
431	Other Interest Expense			2,576,696
432	(Less) Allowance for Borrowed Funds Used During Construction-Cr.			401,494
	Net Interest Charges			17,044,783
	Income Before Extraordinary Items			35,634,876
	EXTRAORDINARY ITEMS			
434	Extraordinary Income			
435	(Less) Extraordinary Deductions			
	Net Extraordinary Items			0
409.3	Income Taxes -- Federal and Other			
	Extraordinary Items After Taxes			
	Net Income			\$35,634,876

Central Hudson Gas & Electric Corporation

Statement of Retained Earnings (Account 216)

<u>Acct. No.</u>	<u>Account Title</u>	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2007</u>	<u>Twelve Months Ended Mar. 31, 2008</u>
216	Unappropriated Retained Earnings (Beginning of Period)	\$25,587,908	\$43,252,535	\$68,652,836	\$81,781,608
439	Adjustments to Retained Earnings Debit: Common Stock Retirement Debit: Transfer of Subsidiary to CH Energy Group Debit: Premium on Preferred Stock Redemption	0			
433	Balance Transferred from Income	35,634,414	34,870,089	33,435,756	31,811,727
		<u>61,222,322</u>	<u>78,122,624</u>	<u>102,088,592</u>	<u>113,593,335</u>
437	Dividends Declared: Preferred Stock	969,787	969,788	969,788	969,788
438	Common Stock	17,000,000	8,500,000	8,500,000	8,500,000
		<u>17,969,787</u>	<u>9,469,788</u>	<u>9,469,788</u>	<u>9,469,788</u>
216	Unappropriated Retained Earnings (End of Period)	<u>43,252,535</u>	<u>68,652,836</u>	<u>92,618,804</u>	<u>104,123,547</u>
216.1	Unappropriated Undistributed Subsidiary Earnings (Beginning of Period)	56,461	56,923	57,146	57,146
433.1	Equity in Earnings	462	223	215	215
	Other Changes - Transfer of subsidiary companies to CH Energy Group				
216.1	Unappropriated Undistributed Subsidiary Earnings (End of Period)	<u>56,923</u>	<u>57,146</u>	<u>57,361</u>	<u>57,361</u>
	Total Retained Earnings	<u>\$43,309,458</u>	<u>\$68,709,982</u>	<u>\$92,676,165</u>	<u>\$104,180,908</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

**Electric Operation and Maintenance Expenses
for 2005, 2006, 2007 and twelve months ended March 2008**

Schedule A - Summary of Electric Operation and Maintenance
Expenses by Class of Expense

Schedule B - Electric Operation and Maintenance Expense by
Account Number

Central Hudson Gas & Electric Corporation

Summary of Electric Operation and Maintenance Expenses

	<u>Year Ended Dec. 31, 2005</u>	<u>Year Ended Dec. 31, 2006</u>	<u>Year Ended Dec. 31, 2007</u>	<u>Twelve Months Ended Mar. 31, 2008</u>
<u>Class of Expense</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Power Production	337,742,719	296,130,980	384,026,087	373,364,694
Transmission	8,121,863	10,045,540	10,086,320	10,981,818
Distribution	25,696,540	32,105,408	30,543,624	31,899,889
Customer Accounts	12,651,068	14,225,269	14,746,050	15,115,356
Customer Services	8,044,299	12,277,696	12,368,999	12,611,470
Sales Promotion	1,069,609	1,212,680	959,181	697,202
Administrative & General	25,573,662	36,602,267	58,036,133	58,372,411
Total Operation and Maintenance Expenses	<u><u>\$418,899,760</u></u>	<u><u>\$402,599,840</u></u>	<u><u>\$510,766,394</u></u>	<u><u>\$503,042,840</u></u>

Central Hudson Gas & Electric Corporation

Electric Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2005</u>	<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2008</u>
	<u>Steam Power Generation</u>				
500	Operation Supervision and Engineering	\$0	\$0	\$0	\$0
501	Fuel	0	0	0	0
502	Steam Expenses	0	0	0	0
505	Electric Expenses	0	0	0	0
506	Miscellaneous Steam Power Expenses	0	0	0	0
507	Rents	0	0	0	0
509	Allowances	0	0	0	0
	Total Operation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
510	Maintenance Supervision and Engineering	0	0	0	0
511	Maintenance of Structures	0	0	0	0
512	Maintenance of Boiler Plant	0	0	0	0
513	Maintenance of Electric Plant	0	0	0	0
514	Maintenance of Miscellaneous Steam Plant	0	0	0	0
	Total Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total Power Production Expenses-Steam Power	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>Nuclear Power Production</u>				
517	Operation Supervision and Engineering	0	0	0	0
518	Fuel	73,176	75,895	0	0
519	Coolants and Water	0	0	0	0
520	Steam Expenses	0	0	0	0
523	Electric Expenses	0	0	0	0
524	Miscellaneous Nuclear Power Expenses	0	0	0	0
525	Rents	0	0	0	0
	Total Operation	<u>73,176</u>	<u>75,895</u>	<u>0</u>	<u>0</u>
528	Maintenance Supervision and Engineering	0	0	0	0
529	Maintenance of Structures	0	0	0	0
530	Maintenance of Reactor Plant Equipment	0	0	0	0
531	Maintenance of Electric Plant	0	0	0	0
532	Maintenance of Miscellaneous Nuclear Plant	0	0	0	0
	Total Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total Power Production Expenses-Nuclear Power	<u>73,176</u>	<u>75,895</u>	<u>0</u>	<u>0</u>

Central Hudson Gas & Electric Corporation

Electric Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2005</u>	<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2008</u>
	<u>Hydraulic Power Generation</u>				
535	Operation Supervision and Engineering	\$1,036	\$0	\$1,340	\$2,593
536	Water for Power	0	184,929	0	0
537	Hydraulic Expenses	372	0	2,186	83
538	Electric Expenses	249,613	230,914	206,037	197,330
539	Miscellaneous Hydraulic Power Generation Expenses	136,501	44,844	12,073	12,401
	Total Operation	387,522	460,687	221,636	212,407
541	Maintenance Supervision and Engineering	26,676	642	31,588	35,146
542	Maintenance of Structures	19,796	24,992	1,728	1,653
543	Maintenance of Reservoirs, Dams, and Waterways	93,648	51,435	62,312	99,510
544	Maintenance of Electric Plant	372,972	379,678	150,401	141,215
545	Maintenance of Miscellaneous Hydraulic Plant	18,968	32,989	10,702	12,258
	Total Maintenance	532,060	489,736	256,731	289,782
	Total Power Production Expenses-Hydraulic Power	919,582	950,423	478,367	502,189
	<u>Other Power Generation</u>				
546	Operation Supervision and Engineering	4,121	196	0	0
547	Fuel	70,026	79,400	79,267	69,400
548	Generation Expenses	10,242	18,566	11,766	9,572
549	Miscellaneous Other Power Generation Expenses	750	82	542	550
	Total Operation	85,139	98,244	91,575	79,522
551	Maintenance Supervision and Engineering	3,997	0	18	331
552	Maintenance of Structures	3	46	0	0
553	Maintenance of Generating and Electric Plant	24,539	7,842	45,903	21,540
554	Maintenance of Miscellaneous Other Power Generation Plant	74,398	75,420	54,071	48,749
	Total Maintenance	102,937	83,308	99,992	70,620
	Total Power Production Expenses-Other Power	188,076	181,552	191,567	150,142
	<u>Other Power Supply Expenses</u>				
555	Purchased Power	334,726,998	293,127,551	381,550,346	370,950,303
556	System Control and Load Dispatching	1,679,613	1,638,804	1,624,298	1,593,485
557	Other Expenses	155,274	156,755	181,509	168,575
	Total Other Power Supply Expenses	336,561,885	294,923,110	383,356,153	372,712,363
	Total Power Production Expenses	\$337,742,719	\$296,130,980	\$384,026,087	\$373,364,694

Central Hudson Gas & Electric Corporation

Electric Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2005</u>	<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2008</u>
	<u>Transmission Expenses</u>				
560	Operation Supervision and Engineering	\$420,911	\$1,143,336	\$501,940	\$517,516
561	Load Dispatching	0	56,857	55,249	54,832
562	Station Expenses	391,552	422,066	487,679	501,388
563	Overhead Lines Expenses	210,250	291,004	719,489	1,207,825
565	Transmission of Electricity by Others	2,189,506	2,189,192	2,191,117	2,191,614
566	Miscellaneous Transmission Expenses	963,544	806,326	700,668	695,190
567	Rents	1,536,748	1,492,425	1,751,444	1,756,883
	Total Operation	5,712,511	6,401,206	6,407,586	6,925,248
568	Maintenance Supervision and Engineering	146,657	133,104	155,118	152,269
569	Maintenance of Structures	0	429,115	497,819	483,235
570	Maintenance of Station Equipment	1,007,035	1,133,381	954,143	958,588
571	Maintenance of Overhead Lines	1,208,978	1,907,958	1,998,214	2,398,095
572	Maintenance of Underground Lines	46,682	40,776	73,440	64,383
573	Maintenance of Miscellaneous Transmission Plant	0	0	0	0
	Total Maintenance	2,409,352	3,644,334	3,678,734	4,056,570
	Total Transmission Expenses	\$8,121,863	\$10,045,540	\$10,086,320	\$10,981,818
	<u>Distribution Expenses</u>				
580	Operation Supervision and Engineering	\$1,391,419	\$1,171,098	\$1,394,049	\$1,427,953
581	Load Dispatching	327,185	294,206	309,199	317,486
582	Station Expenses	398,049	264,595	536,384	608,601
583	Overhead Line Expenses	4,352,472	6,755,702	2,946,522	3,911,178
584	Underground Line Expenses	778,547	807,508	894,057	904,313
585	Street Lighting and Signal System Expenses	0	0	0	0
586	Meter Expenses	1,686,394	1,662,767	1,662,734	1,638,636
587	Customer Installations Expenses	414,311	710,035	1,058,445	1,054,353
588	Miscellaneous Expenses	4,096,883	4,430,461	4,838,291	4,975,954
589	Rents	563,830	581,936	594,083	651,940
	Total Operation	14,009,090	16,678,308	14,233,764	15,490,414
590	Maintenance Supervision and Engineering	156,290	129,736	146,859	148,747
592	Maintenance of Station Equipment	1,017,823	966,924	1,026,546	1,000,991
593	Maintenance of Overhead Lines	9,155,163	12,823,304	13,505,426	13,627,804
594	Maintenance of Underground Lines	690,170	778,952	829,570	783,931
595	Maintenance of Line Transformers	0	0	0	0
596	Maintenance of Street Lighting and Signal Systems	667,803	728,184	801,459	848,002
597	Maintenance of Meters	0	0	0	0
598	Maintenance of Miscellaneous Distribution Plant	201	0	0	0
	Total Maintenance	11,687,450	15,427,100	16,309,860	16,409,475
	Total Distribution Expenses	\$25,696,540	\$32,105,408	\$30,543,624	\$31,899,889

Central Hudson Gas & Electric Corporation

Electric Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2005</u>	<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2008</u>
	<u>Customer Accounts Expenses</u>				
901	Supervision	\$0	\$0	\$0	\$0
902	Meter Reading Expenses	2,300,299	\$2,464,259	2,524,974	2,598,957
903	Customer Records and Collection Expenses	5,905,516	6,494,641	6,792,859	6,644,888
904	Uncollectible Accounts	2,636,333	3,125,737	3,296,080	3,629,911
905	Miscellaneous Customer Accounts Expenses	1,808,920	2,140,632	2,132,137	2,241,600
	Total Customer Accounts Expenses	<u>\$12,651,068</u>	<u>\$14,225,269</u>	<u>\$14,746,050</u>	<u>\$15,115,356</u>
	<u>Customer Services Expenses</u>				
907	Supervision	\$0	\$0	\$0	\$0
908	Customer Assistance Expenses	7,289,617	11,111,421	11,286,211	11,540,700
909	Information and Instructional Expenses	203,339	220,552	234,740	241,954
910	Miscellaneous Customer Service and Information Expenses	551,343	945,723	848,048	828,816
	Total Cust. Service and Informational Expenses	<u>\$8,044,299</u>	<u>\$12,277,696</u>	<u>\$12,368,999</u>	<u>\$12,611,470</u>
	<u>Sales Promotions Expenses</u>				
912	Demonstrating and Selling Expenses	\$911,060	\$1,066,233	\$787,340	\$531,364
916	Miscellaneous Sales Expenses	158,549	146,447	171,841	165,838
	Total Sales Promotion Expenses	<u>\$1,069,609</u>	<u>\$1,212,680</u>	<u>\$959,181</u>	<u>\$697,202</u>
	<u>Administrative and General Expenses</u>				
920	Administrative and General Salaries	\$13,239,230	\$14,213,753	\$14,556,154	\$14,523,509
921	Office Supplies and Expenses	2,507,778	3,002,834	3,120,146	2,960,136
923	Outside Services Employed	3,004,808	2,584,434	2,653,480	2,922,916
924	Property Insurance	566,687	552,441	531,500	529,200
925	Injuries and Damages	2,459,531	1,734,531	2,852,262	2,894,189
926	Employee Pensions and Benefits	(4,404,273)	7,820,791	24,192,586	24,076,538
928	Regulatory Commission Expenses	1,548,678	1,718,817	1,718,952	1,678,290
930.2	Miscellaneous General Expenses	5,396,903	3,805,125	7,125,627	7,495,717
931	Rents	182,628	152,084	163,244	174,434
	Total Operation	<u>24,501,970</u>	<u>35,584,810</u>	<u>56,913,951</u>	<u>57,254,929</u>
935	Maintenance of General Plant	1,071,692	1,017,457	1,122,182	1,117,482
	Total Administrative and General Expenses	<u>\$25,573,662</u>	<u>\$36,602,267</u>	<u>\$58,036,133</u>	<u>\$58,372,411</u>
	Total Electric Operation and Maintenance Expenses	<u>\$418,899,760</u>	<u>\$402,599,840</u>	<u>\$510,766,394</u>	<u>\$503,042,840</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Electric Operating Taxes - Account 408
for 2005, 2006, 2007 and twelve months ended March 2008

Central Hudson Gas & Electric Corporation

Operating Taxes - Electric

<u>Acct. No.</u>		<u>Year Ended Dec. 31, 2005</u>	<u>Year Ended Dec. 31, 2006</u>	<u>Year Ended Dec. 31, 2007</u>	<u>Twelve Months Ended Mar. 31, 2008</u>
	<u>Federal</u>				
408.1	FICA Contribution	\$2,712,009	\$2,910,472	\$2,946,659	2,994,195
408.1	Unemployment	39,241	48,780	35,346	32,879
408.1	Other	0	0	0	0
	Total Federal	2,751,250	2,959,252	2,982,005	3,027,074
	<u>State</u>				
408.1	NYS MTA Surcharge	401,765	232,768	349,231	239,473
408.1	Unemployment Insurance	65,711	65,164	48,051	45,626
408.1	Sales and Use	396,088	1,226,773	1,482,841	1,427,806
408.1	Utility Service	2,084,400	2,005,638	2,474,226	2,490,165
408.1	NYS Tax Deferral - Laws of 2000	(268,523)	354,973	(590,545)	(20,850)
408.1	NYS Tax Excluded from Deferred	605,000	(416,000)	0	0
408.1	Other	725	1,699	590	520
	Total State	3,285,166	3,471,015	3,764,394	4,182,740
	<u>Local</u>				
408.1	Real Estate	12,837,139	12,835,482	12,554,465	12,479,459
408.1	Special Franchise	6,146,922	6,033,209	5,791,456	5,846,069
408.1	Municipal Utility Service	922,167	768,924	964,880	938,043
408.1	Deferred Property Taxes	0	0	1,006,624	1,472,710
408.1	Other	0	0	0	0
	Total Local	19,906,228	19,637,615	20,317,425	20,736,281
	Total Per Income Statement	\$25,942,644	\$26,067,882	\$27,063,824	\$27,946,095

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Gas Operation and Maintenance Expenses
for 2005, 2006, 2007 and twelve months ended March 2008

Schedule A - Summary of Gas Operation and Maintenance
Expenses by Class of Expense

Schedule B - Gas Operation and Maintenance Expense by
Account Number

Central Hudson Gas & Electric Corporation

Summary of Gas Operation and Maintenance Expenses

	<u>Year Ended Dec. 31, 2005</u>	<u>Year Ended Dec. 31, 2006</u>	<u>Year Ended Dec. 31, 2007</u>	<u>Twelve Months Ended Mar. 31, 2008</u>
<u>Class of Expense</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Production/Purchases	106,906,166	106,177,291	110,787,659	120,548,920
Transmission	1,025,069	1,251,613	1,186,044	1,214,943
Distribution	7,923,423	7,738,981	8,037,857	8,171,678
Customer Accounts	2,692,101	3,232,983	3,550,645	4,002,909
Customer Services	609,055	917,904	539,352	540,025
Sales Promotion	201,198	217,223	179,212	135,452
Administrative & General	4,882,811	6,471,450	13,611,531	15,259,947
Total Operation and Maintenance Expenses	<u><u>\$124,239,823</u></u>	<u><u>\$126,007,445</u></u>	<u><u>\$137,892,300</u></u>	<u><u>\$149,873,874</u></u>

Central Hudson Gas & Electric Corporation

Gas Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2005</u>	<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2008</u>
	<u>Manufactured Gas Production Expenses</u>				
710	Operation Supervision and Engineering	\$8,381	\$2,832	\$22,340	\$26,982
717	Liquefied Petroleum Gas Expenses	46,384	26,693	42,688	27,988
728	Liquefied Petroleum Gas	78,287	11,626	127,882	35,229
733	Gas Mixing Expenses	1,099	949	0	0
735	Misc. Production Expenses	6,911	3,623	4,942	6,905
	Total Operation	141,062	45,723	197,852	97,104
740	Maintenance Supervision and Engineering	8,954	339	2,118	1,256
741	Maintenance of Structures	329	1,159	77	73
742	Maintenance of Production Equipment	119,760	87,398	100,907	90,892
	Total Maintenance	129,043	88,896	103,102	92,221
	Total Manufactured Gas Production Expenses	270,105	134,619	300,954	189,325
	<u>Other Gas Supply Expenses</u>				
803	Natural Gas Transmission Line Purchases	112,234,366	105,069,148	110,893,220	117,931,373
808.1	Gas Withdrawn from Storage - Debit	13,186,958	10,608,591	19,422,493	22,227,525
808.2	Gas Delivered to Storage - Credit	(18,859,036)	(9,727,318)	(20,019,745)	(19,990,274)
813	Other Gas Supply Expenses (Incl Joint Expense Credit)	73,773	92,251	190,737	190,971
	Total Other Gas Supply Expenses	106,636,061	106,042,672	110,486,705	120,359,595
	Total Production & Other Storage Expenses	\$106,906,166	\$106,177,291	\$110,787,659	\$120,548,920
	<u>Transmission Expenses</u>				
850	Operation Supervision and Engineering	\$202,688	\$213,204	\$194,250	\$186,356
851	System Control & Load Dispatching	202,317	220,236	229,519	227,908
856	Mains Expenses	95,983	67,370	153,532	163,819
857	Measuring & Regulating Station Expenses	238	0	0	0
859	Other Expenses	31,271	47,962	36,110	40,969
860	Rents	66,196	74,570	61,776	61,776
	Total Operation	598,693	623,342	675,187	680,828
861	Maintenance Supervision and Engineering	206,948	309,852	249,620	265,521
862	Maintenance of Structures & Improvements	0	0	0	0
863	Maintenance of Mains	215,928	313,652	257,538	265,162
865	Maintenance of Measuring & Reg. Sta. Equipment	3,500	4,767	3,699	3,432
	Total Maintenance	426,376	628,271	510,857	534,115
	Total Transmission Expenses	\$1,025,069	\$1,251,613	\$1,186,044	\$1,214,943

Central Hudson Gas & Electric Corporation

Gas Operation and Maintenance Expenses

<u>Acct. No.</u>		<u>Year Ended</u> <u>Dec. 31, 2005</u>	<u>Year Ended</u> <u>Dec. 31, 2006</u>	<u>Year Ended</u> <u>Dec. 31, 2007</u>	<u>Twelve Months</u> <u>Ended</u> <u>Mar. 31, 2008</u>
	<u>Distribution Expenses</u>				
870	Operation Supervision and Engineering	\$676,598	\$507,016	\$539,059	\$555,687
871	Distribution Load Dispatching	210,888	206,272	215,036	221,092
874	Mains & Services Expenses	475,154	589,603	556,693	539,810
875	Measuring & Regulating Station Expenses	406,526	418,235	397,225	393,680
878	Meter & House Regulator Expenses	810,825	877,138	842,132	733,619
879	Customer Installations Expenses	240,744	134,079	190,027	210,818
880	Other Expenses	1,160,573	1,243,783	1,229,569	1,205,394
881	Rents	122,941	127,611	94,551	94,539
	Total Operation	4,104,249	4,103,737	4,064,292	3,954,639
885	Maintenance Supervision and Engineering	153,758	170,515	218,516	331,052
886	Maintenance of Structures & Improvements	0	0	0	0
887	Maintenance of Mains	2,843,147	2,842,597	2,993,841	3,136,541
889	Maintenance of Measuring & Reg. Sta. Equipment	171,346	147,259	135,535	130,120
892	Maintenance of Services	650,923	474,873	625,673	619,326
893	Maintenance of Meters & House Regulators	0	0	0	0
	Total Maintenance	3,819,174	3,635,244	3,973,565	4,217,039
	Total Distribution Expenses	\$7,923,423	\$7,738,981	\$8,037,857	\$8,171,678
	<u>Customer Account Expenses</u>				
901	Supervision	\$0	\$0	\$0	\$0
902	Meter Reading Expenses	389,033	419,982	438,182	436,629
903	Customer Records & Collection Expenses	1,044,208	1,140,900	1,202,292	1,177,095
904	Uncollectible Accounts	955,602	1,309,508	1,553,920	2,010,436
905	Miscellaneous Customer Account Expenses	303,258	362,593	356,251	378,749
906	Rents	0	0	0	0
	Total Customer Account Expenses	\$2,692,101	\$3,232,983	\$3,550,645	\$4,002,909
	<u>Customer Services Expenses</u>				
908	Customer Assistance Expenses	\$510,473	\$636,756	\$268,608	\$265,667
909	Informational and Instructional Expenses	39,049	36,257	40,766	43,236
910	Miscellaneous Cust. Svc. And Informational Expenses	59,533	244,891	229,978	231,122
	Total Customer Services Expenses	\$609,055	\$917,904	\$539,352	\$540,025
	<u>Sales Promotion Expenses</u>				
912	Demonstrating and Selling Expenses	\$191,511	\$204,894	\$160,945	\$113,529
916	Miscellaneous Sales Expenses	9,687	12,329	18,267	21,923
	Total Sales Promotion Expenses	\$201,198	\$217,223	\$179,212	\$135,452
	<u>Administrative and General Expenses</u>				
920	Administrative & General Salaries	\$2,401,961	\$2,718,651	\$2,778,964	\$2,727,969
921	Office Supplies & Expenses	448,544	554,116	605,729	588,468
923	Outside Services Employed	655,589	620,834	1,072,254	1,143,560
924	Property Insurance	61,593	74,861	75,538	72,151
925	Injuries & Damages	626,780	450,530	707,157	619,196
926	Employee Pensions & Benefits	(854,971)	605,530	5,094,987	5,040,341
928	Regulatory Commission Expenses	447,922	503,588	500,020	465,495
930.2	Miscellaneous General Expenses	945,313	790,833	2,609,609	4,434,384
931	Rents	32,550	26,859	28,587	30,679
	Total Operation	4,765,281	6,345,802	13,472,845	15,122,243
932	Maintenance of General Plant	117,530	125,648	138,686	137,704
	Total Administrative & General Expenses	\$4,882,811	\$6,471,450	\$13,611,531	\$15,259,947
	Total Gas Operation & Maintenance Expenses	\$124,239,823	\$126,007,445	\$137,892,300	\$149,873,874

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Gas Operating Taxes - Account 408
for 2005, 2006, 2007 and twelve months ended March 2008

Central Hudson Gas & Electric Corporation

Operating Taxes - Gas

<u>Acct. No.</u>		<u>Year Ended Dec. 31, 2005</u>	<u>Year Ended Dec. 31, 2006</u>	<u>Year Ended Dec. 31, 2007</u>	<u>Twelve Months Ended Mar. 31, 2008</u>
	<u>Federal</u>				
408.1	FICA Contribution	\$619,003	\$656,313	\$691,999	701,640
408.1	Unemployment	8,957	11,000	8,301	7,705
408.1	Other	0	0	0	0
	Total Federal	627,960	667,313	700,300	709,344
	<u>State</u>				
408.1	NYS MTA Surcharge	281,731	194,585	33,735	(8,677)
408.1	Unemployment Insurance	14,998	14,695	11,284	10,692
408.1	Sales and Use	87,323	221,699	253,759	241,902
408.1	Utility Service	528,772	438,630	624,408	678,025
	Other	0	0	0	0
	NYS Tax Deferral - Laws of 2000	46,379	(34,220)	15,598	2,250
	Total State	959,203	835,389	938,784	924,192
408.1	Real Estate	2,520,938	2,561,959	2,617,478	2,610,770
408.1	Special Franchise	2,518,650	2,522,284	2,444,255	2,440,189
408.1	Municipal Utility Service	592,037	479,942	595,888	583,576
408.1	Deferred Property Taxes	0	0	215,952	329,765
408.1	Other	0	0	0	0
	Total Local	5,631,625	5,564,185	5,873,573	5,964,300
	Total Per Income Statement	\$7,218,788	\$7,066,887	\$7,512,657	\$7,597,836

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

Schedule A - Historical Period - Twelve Months Ended March 31, 2008

Schedule B - Forecast Period - Twelve Months Ending December 31, 2008, December 31, 2009
December 31, 2010

Schedule C - Forecast Period - Twelve Months Ending June 30, 2010

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

**Twelve-Month Average for the
Period Ending March 31, 2008**

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$887	\$66	\$953
Less : Amounts Applicable to Major Projects	<u>640</u>	<u>31</u>	<u>671</u>
Amounts Applicable to Minor Projects	<u>\$247</u>	<u>\$35</u>	<u>\$282</u>
 Average Construction Work in Progress	 \$55,026	 \$9,328	 \$64,354
Less : Amounts Applicable to Major Projects	<u>19,704</u>	<u>969</u>	<u>20,673</u>
Amounts Applicable to Minor Projects	35,322	8,359	43,681
 Less: Average Interest-Bearing Construction Work in Progress (Note 1)	 <u>8,233</u>	 <u>1,167</u>	 <u>9,400</u>
 Average Noninterest-Bearing Construction Work in Progress	 <u>\$27,089</u>	 <u>\$7,192</u>	 <u>\$34,281</u>

Note:

1) AFDC divided by 3%

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

	Twelve-Month Average for the Year Ending December 31, 2008			Twelve-Month Average for the Year Ending December 31, 2009		
	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$726	\$47	\$773	\$765	\$43	\$808
Less : Amounts Applicable to Major Projects	<u>510</u>	<u>14</u>	<u>524</u>	<u>612</u>	<u>14</u>	<u>626</u>
Amounts Applicable to Minor Projects	<u>\$216</u>	<u>\$33</u>	<u>\$249</u>	<u>\$153</u>	<u>\$29</u>	<u>\$182</u>
Average Construction Work in Progress	\$58,615	\$8,865	\$67,480	\$60,890	\$10,514	\$71,404
Less : Amounts Applicable to Major Projects	<u>23,794</u>	<u>824</u>	<u>24,618</u>	<u>21,059</u>	<u>476</u>	<u>21,535</u>
Amounts Applicable to Minor Projects	34,821	8,041	42,862	39,831	10,038	49,869
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>7,200</u>	<u>1,100</u>	<u>8,300</u>	<u>5,100</u>	<u>967</u>	<u>6,067</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$27,621</u>	<u>\$6,941</u>	<u>\$34,562</u>	<u>\$34,731</u>	<u>\$9,071</u>	<u>\$43,802</u>

Note:

1) 2008 through all the forecast periods and Rate Years: AFDC divided by 3%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

**Twelve-Month Average for the
 Year Ending December 31, 2010**

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$767	\$78	\$845
Less : Amounts Applicable to Major Projects	<u>595</u>	<u>48</u>	<u>643</u>
Amounts Applicable to Minor Projects	<u>\$172</u>	<u>\$30</u>	<u>\$202</u>
Average Construction Work in Progress	\$62,516	\$12,254	\$74,770
Less : Amounts Applicable to Major Projects	<u>19,585</u>	<u>1,406</u>	<u>20,991</u>
Amounts Applicable to Minor Projects	42,931	10,848	53,779
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>5,733</u>	<u>1,000</u>	<u>6,733</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$37,198</u>	<u>\$9,848</u>	<u>\$47,046</u>

Note:

- 1) 2008 through all the forecast periods and Rate Years: AFDC divided by 3%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

NONINTEREST-BEARING CONSTRUCTION WORK IN PROGRESS

(\$000)

**Twelve-Month Average for the
 Period Ending June 30, 2010**

	<u>Electric</u>	<u>Gas</u>	<u>Corporate</u>
Allowance for Funds Used During Construction (AFDC)	\$815	\$93	\$908
Less : Amounts Applicable to Major Projects	<u>644</u>	<u>61</u>	<u>705</u>
Amounts Applicable to Minor Projects	<u>\$171</u>	<u>\$32</u>	<u>\$203</u>
Average Construction Work in Progress	61,676	12,034	73,710
Less : Amounts Applicable to Major Projects	<u>21,640</u>	<u>1,853</u>	<u>23,493</u>
Amounts Applicable to Minor Projects	\$40,036	\$10,181	\$50,217
Less: Average Interest-Bearing Construction Work in Progress (Note 1)	<u>5,700</u>	<u>1,067</u>	<u>6,767</u>
Average Noninterest-Bearing Construction Work in Progress	<u>\$34,336</u>	<u>\$9,114</u>	<u>\$43,450</u>

Note:

- 1) 2008 through all the forecast periods and Rate Years: AFDC divided by 3%

Central Hudson Gas & Electric Corporation

Statement of Depreciation & Amortization Accruals

Schedule A - Twelve Months Ended March 31, 2008

Schedule B - Twelve Months Ending December 31, 2008, December 31, 2009,
December 31, 2010

Schedule C - Twelve Months Ending June 30, 2010

Central Hudson Gas & Electric Corporation
Depreciation, Amortization & ARO Accruals
(\$000)

Account Number		Twelve Months Ended <u>March 31, 2008</u>
Electric		
403	Depreciation - T & D	\$ 19,008
404	Amortization	<u>0</u>
403	Depreciation - ARO	16
	Total	19,024
Gas		
403	Depreciation - T & D	5,404
404	Amortization	<u>0</u>
	Total	5,404
Common		
403	Depreciation	3,569
404	Amortization (Note 1)	17
405	Software Amortization (Note 2)	450
184	Clearing Account - Transportation	<u>3,356</u>
403	Depreciation - ARO	13
	Total	<u>7,405</u>
	Total Corporation	<u>\$ 31,833</u>
<u>Allocation of Accruals</u>		
Electric		
	Depreciation :	
	Direct	\$ 19,008
	Allocation of Common (Note 3)	<u>3,034</u>
	Depreciation - ARO	16
	Depreciation - ARO Common Allocation	11
	Total Depreciation	22,069
	Amortization :	
	Direct	0
	Leased Property Common Allocation (Note 3)	14
	Software Common Allocation (Note 3)	<u>383</u>
	Total Amortization	397
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<u>1,667</u>
	Total Electric	24,133
Gas		
	Depreciation :	
	Direct	5,404
	Allocation of Common (Note 3)	<u>535</u>
	Depreciation - ARO Common Allocation	2
	Total Depreciation	5,941
	Amortization :	
	Direct	0
	Leased Property Common Allocation (Note 3)	3
	Software Common Allocation (Note 3)	<u>67</u>
	Total Amortization	70
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<u>343</u>
	Total Gas	6,354
Other		
	Transportation Depreciation Cleared to Construction and other accounts	<u>1,346</u>
	Total Provisions for Depreciation and Amortization	<u>\$ 31,833</u>

Notes:

- 1) Improvements to leased property are being amortized over the life of the lease.
- 2) Software is amortized over a 5 year period.
- 3) The common allocation is split 85% electric and 15% gas.

Central Hudson Gas & Electric Corporation
Depreciation, Amortization & ARO Accruals (Estimate)
(\$000)

Account Number		<u>Year Ended December 31,</u>		
		<u>2008</u>	<u>2009</u>	<u>2010</u>
	Electric			
403	Depreciation - T & D	\$ 19,998	\$ 21,873	\$ 23,755
404	Amortization	0	0	0
		<hr/>	<hr/>	<hr/>
403	Depreciation - ARO	16	16	16
	Total	20,014	21,889	23,771
	Gas			
403	Depreciation - T & D	5,580	6,113	6,691
404	Amortization	0	0	0
		<hr/>	<hr/>	<hr/>
	Total	5,580	6,113	6,691
	Common			
403	Depreciation	3,609	3,930	4,183
404	Leased Property (Note 1)	16	0	0
405	Software Amortization (Note 2)	938	1,658	1,996
184	Clearing Account - Transportation	3,418	3,434	3,510
		<hr/>	<hr/>	<hr/>
403	Depreciation - ARO	24	24	24
	Total	8,005	9,046	9,713
	Total Corporation	<hr/> \$ 33,599	<hr/> \$ 37,048	<hr/> \$ 40,175
	<u>Allocation of Accruals</u>			
	Electric			
	Depreciation :			
	Direct	\$ 19,998	\$ 21,873	\$ 23,755
	Allocation of Common (Note 3)	3,068	3,341	3,556
		<hr/>	<hr/>	<hr/>
	Depreciation - ARO	16	16	16
	Depreciation - ARO Common Allocation	20	20	20
	Total Depreciation	23,102	25,250	27,347
	Amortization :			
	Direct	0	0	0
	Leased Property Common Allocation (Note 3)	14	0	0
	Software Common Allocation (Note 3)	797	1,409	1,697
	Total Amortization	811	1,409	1,697
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<hr/> 1,709	<hr/> 1,717	<hr/> 1,755
	Total Electric	25,622	28,376	30,799
	Gas			
	Depreciation :			
	Direct	5,580	6,113	6,691
	Allocation of Common (Note 3)	541	590	627
		<hr/>	<hr/>	<hr/>
	Depreciation - ARO Common Allocation	4	4	4
	Total Depreciation	6,125	6,707	7,322
	Amortization :			
	Leased Property Common Allocation (Note 3)	2	0	0
	Software Common Allocation (Note 3)	141	249	299
	Total Amortization	143	249	299
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<hr/> 342	<hr/> 343	<hr/> 351
	Total Gas	6,610	7,299	7,972
	Other			
	Transportation Depreciation Cleared to Construction and other accounts	<hr/> 1,367	<hr/> 1,374	<hr/> 1,404
	Total Provisions for Depreciation and Amortization	<hr/> \$ 33,599	<hr/> \$ 37,049	<hr/> \$ 40,175

Notes:

- 1) Improvements to leased property are being amortized over the life of the lease.
- 2) Software is amortized over a 5 year period.
- 3) The common allocation is split 85% electric and 15% gas.

Central Hudson Gas & Electric Corporation
Depreciation, Amortization & ARO Accruals (Estimate)
(\$000)

Account Number		Twelve Months Ended <u>June 30, 1010</u>
	Electric	
403	Depreciation - T & D	22,814
403	Depreciation -ARO	16
	Total	<u>22,830</u>
404	Amortization: Neversink	<u>0</u>
	Total	0
	Gas	
403	Depreciation - T & D	6,402
	Total	<u>6,402</u>
	Common	
403	Depreciation	4,057
403	Depreciation - ARO	24
404	Amortization	0
405	Software Amortization	1,827
184	Clearing Account - Transportation	<u>3,472</u>
	Total	9,380
	Total Corporation	38,612
	<u>Allocation of Accruals</u>	
	Electric	
	Depreciation :	
	Direct	22,814
	Allocation of Common (a)	<u>3,448</u>
	Depreciation - ARO	16
	Depreciation - ARO Common Allocation	20
	Total Depreciation	26,298
	Amortization :	
	Direct	0
	Leased Property Common Allocation	0
	Software Common Allocation	<u>1,553</u>
	Total Amortization	1,553
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<u>1,736</u>
	Total Electric	29,587
	Gas	
	Depreciation :	
	Direct	6,402
	Allocation of Common (a)	<u>609</u>
	Depreciation - ARO Common Allocation	4
	Total Depreciation	7,015
	Amortization :	
	Leased Property Common Allocation	0
	Software Common Allocation	<u>274</u>
	Total Amortization	274
	Transportation Depreciation Cleared to Operation and Maintenance Accounts	<u>347</u>
	Total Gas	7,636
	Other	
	Transportation Depreciation Cleared to Construction and other accounts	<u>1,389</u>
	Total Provisions for Depreciation and Amortization	38,612

(a) The common allocation split is 85% electric and 15% gas.

Central Hudson Gas & Electric Corporation

Proposed Depreciation Factors and Rate Changes

Schedule A - Analysis of Current and Proposed Depreciation Factors, Annual Accruals and Theoretical Provision Requirement

Schedule B - Current and Proposed Depreciation Factors and Rates for the Electric Department

Schedule C - Current and Proposed Depreciation Factors and Rates for the Gas Department

Schedule D - Current and Proposed Depreciation Factors and Rates for the Common Department

Central Hudson Gas & Electric Corporation
Summary of Depreciation Reserve

	Depreciable Original Cost @ 12/31/07	12/31/2007 Accumulated Book Depreciation	C U R R E N T				P R O P O S E D			
			Annual Accrual	Theoretical Requirement	Difference Book & Theo. Requirement	% Excess Book Over (Under) Theoretical	Annual Accrual	Theoretical Requirement	Difference Book & Theo. Requirement	% Excess Book Over (Under) Theoretical
Electric Department	804,876,582	233,232,132	19,011,505	225,360,442	7,871,690	3.5%	20,207,633	242,071,492	(8,839,360)	-3.7%
Gas Department	248,113,874	90,995,971	5,365,035	87,844,933	3,151,038	3.6%	5,680,690	87,909,003	3,086,968	3.5%
Common	110,685,329	42,831,952	6,989,424	45,650,795	(2,818,843)	-6.2%	6,731,790	44,950,558	(2,118,606)	-4.7%
	<u>1,163,675,785</u>	<u>367,060,055</u>	<u>31,365,964</u>	<u>358,856,170</u>	<u>8,203,885</u>	<u>2.3%</u>	<u>32,620,113</u>	<u>374,931,053</u>	<u>(7,870,998)</u>	<u>-2.1%</u>

Central Hudson Gas & Electric Corporation
Depreciation Factors and Rates - Electric Department

		C U R R E N T									P R O P O S E D							
Account	Account Description	Original Cost @ 12/31/07	12/31/2007 Accumulated Book Depreciation	ASL	Curve Type	Net Salv. %	Annual Rate	Annual Accrual	Theoretical Requirement	Difference Book & Theo. Requirement	ASL	Curve Type	Net Salv. %	Annual Rate	Annual Accrual	Theoretical Requirement	Difference Book & Theo. Requirement	
HYDRO PRODUCTION																		
331-00-1	STRUCTURES & IMPROVEMENTS	2,031,131	1,035,523	60	R3	-50	0.0250	50,778	1,014,095	21,428	65	R3	-45	0.0223	45,355	919,440	116,083	
332-00-1	RESERVOIRS, DAMS	10,708,091	5,462,633	75	L5	-60	0.0213	228,439	5,393,754	68,879	75	R4	-60	0.0213	227,868	5,409,081	53,552	
333-00-1	TURBINES & GENERATORS	5,653,167	2,970,334	60	R4	-60	0.0267	150,751	2,949,195	21,139	60	R3	-70	0.0284	160,493	3,005,778	(35,444)	
334-10-1	ACCESSORY ELEC. EQUIP.	1,643,704	775,216	55	R1.5	-60	0.0291	47,817	769,818	5,398	50	R1.5	-60	0.0320	52,599	826,347	(51,131)	
335-00-1	MISC. POWER PLANT EQUIP.	156,251	97,577	40	S2.5	-40	0.0350	5,469	100,796	(3,219)	45	S2.5	-40	0.0311	4,856	91,138	6,439	
	HYDRO TOTAL	20,192,344	10,341,283				0.0239	483,254	10,227,658	113,625				0.0243	491,171	10,251,784	89,499	
OTHER PRODUCTION																		
341-00-1	STRUCTURES AND IMPROVEMENTS	392,209	358,720	27	R5	-5	0.0389	15,253	359,430	(710)	40	S4	-5	0.0262	10,295	288,850	69,870	
342-00-1	FUEL HOLDERS, PRODUCERS & ACCESSORIES	542,169	395,178	27	R5	-5	0.0389	21,084	374,838	20,340	35	S3	-20	0.0343	18,607	344,971	50,207	
343-00-1	PRIME MOVERS	937,481	496,549	27	R5	-5	0.0389	36,458	492,563	3,986	25	R4	-5	0.0420	39,374	511,433	(14,884)	
344-00-1	GENERATORS	824,691	670,140	27	R5	-5	0.0389	32,071	691,827	(21,687)	40	S4	-20	0.0300	24,741	656,160	13,980	
345-00-1	ACCESSORY ELECTRIC EQUIPMENT	440,868	292,478	27	R5	-5	0.0389	17,145	212,632	79,846	35	R2.5	-25	0.0357	15,761	189,759	102,719	
346-00-1	MISCELLANEOUS POWER PLANT EQUIPMENT	43,593	15,716	27	R5	-5	0.0389	1,695	15,486	230	30	R2.5	0	0.0333	1,452	12,144	3,572	
	OTHER PRODUCTION TOTAL	3,181,011	2,228,781				0.0389	123,706	2,146,776	82,005				0.0347	110,230	2,003,317	225,464	
TRANSMISSION																		
350-11&15-1	LAND & LAND RIGHTS	15,740,275	4,125,417	85	R4	+10	0.0106	166,662	4,097,565	27,852	70	R3	0	0.0143	225,086	5,097,162	(971,745)	
352-00-1	STRUCTURES & IMPROVEMENTS	6,606,557	2,347,265	65	R3	-40	0.0215	142,295	2,343,467	3,798	65	R3	-30	0.0200	132,263	2,150,362	196,903	
353-11&20-1	STATION EQUIPMENT	83,124,699	23,999,698	55	R1	-10	0.0200	1,662,494	22,419,468	1,580,230	52	R1	-10	0.0211	1,755,580	22,771,649	1,228,049	
353-12-1	SUPERVISORY EQUIPMENT- IN USE	2,578,242	1,223,183	28	S1	-10	0.0393	101,288	1,164,722	58,461	28	S1	-10	0.0393	101,206	1,158,700	64,483	
354-00-1	TOWERS & FIXTURES	2,985,231	1,921,003	65	R3	-30	0.0200	59,705	1,851,347	69,656	65	R3	-50	0.0231	68,959	2,135,628	(214,625)	
355-00&10&15-1	POLES & FIXTURES	29,865,274	11,705,849	55	R3	-50	0.0273	814,508	11,660,707	45,142	50	S0.5	-65	0.0330	985,554	12,101,557	(395,708)	
356-10-1	OVERHEAD COND. & DEVICES	24,806,645	7,282,326	60	R2	-25	0.0208	516,805	7,173,171	109,155	55	S0.5	-30	0.0237	586,925	7,822,705	(540,379)	
356-15-1	OVERHEAD COND. & DEV. 345KV	3,815,248	2,789,575	60	R2	-35	0.0225	85,843	2,449,562	340,013	55	S0.5	-30	0.0237	90,269	2,311,360	478,215	
356-20&25-1	OVERHEAD LINES, CLEARING	1,997,309	1,117,543	60	R2	-35	0.0225	44,940	1,340,721	(223,178)	55	S0.5	-30	0.0237	47,256	1,254,200	(136,657)	
357-00-1	UNDERGROUND CONDUIT	20,965	10,090	40	L0.5	-5	0.0262	550	9,468	622	40	R0.5	0	0.0250	524	10,830	(740)	
358-00-1	UNERGROUND COND. & DEVICES	7,339,490	4,398,553	40	R3	-20	0.0300	220,185	4,198,928	199,625	40	R3	-20	0.0300	220,185	4,198,918	199,635	
	TRANSMISSION TOTAL	178,879,935	60,920,502				0.0213	3,815,275	58,709,126	2,211,376				0.0236	4,213,807	61,013,071	(92,569)	

Depreciation Factors and Rates - Electric Department

Account	Account Description	C U R R E N T									P R O P O S E D						
		Original Cost @ 12/31/07	12/31/2007 Accumulated Book Depreciation	ASL	Curve Type	Net Salv. %	Annual Rate	Annual Accrual	Theoretical Requirement	Difference Book & Theo. Requirement	ASL	Curve Type	Net Salv. %	Annual Rate	Annual Accrual	Theoretical Requirement	Difference Book & Theo. Requirement
DISTRIBUTION																	
360-11&20-1	LAND & LAND RIGHTS	935,296	505,314	60	S4	+10	0.0150	14,029	493,467	11,847	60	R3	0	0.0163	15,214	515,967	(10,653)
361-00-1	STRUCTURES & IMPROVEMENTS	6,432,937	1,250,029	80	R3	-25	0.0156	100,515	1,366,061	(116,032)	65	R3	-35	0.0207	133,259	1,759,540	(509,511)
362-11&20-1	STATION EQUIPMENT	95,442,195	24,748,606	52	R1.5	-20	0.0231	2,202,516	24,426,372	322,234	55	R2	-30	0.0237	2,258,155	27,447,935	(2,699,329)
362-12-1	SUPERVISORY EQUIPMENT	1,992,731	710,726	30	R2	-10	0.0367	73,067	746,631	(35,905)	30	R2	-15	0.0383	76,296	750,039	(39,313)
364-00-1	POLES & FIXTURES	125,854,143	21,524,624	55	O1	-25	0.0227	2,860,321	19,912,552	1,612,072	55	R0.5	-35	0.0246	3,092,236	25,545,101	(4,020,477)
365-10&20-1	OVHD. CONDUCTORS & DEVICES	129,346,126	36,627,847	60	R1	-30	0.0217	2,802,499	33,771,356	2,856,491	60	R1.5	-40	0.0234	3,024,112	39,681,553	(3,053,706)
366-11&22-1	UNDERGROUND CONDUIT	18,502,889	5,700,891	65	R3	-25	0.0192	355,825	5,586,128	114,763	65	R3	-30	0.0200	370,428	5,805,610	(104,719)
367-00-1	UNDERGROUND COND. & DEVICES	42,893,834	11,679,642	55	R2.5	-10	0.0200	857,877	11,374,925	304,717	60	R2.5	-10	0.0184	787,960	10,514,467	1,165,175
368-00-1	TRANSFORMERS	94,189,263	26,356,990	43	L1	-10	0.0256	2,409,493	26,328,692	28,298	43	L1	-10	0.0256	2,414,071	26,161,421	195,569
369-10-1	OVERHEAD SERVICES	32,008,089	13,222,839	52	R1.5	-75	0.0337	1,077,195	12,639,691	583,148	52	R1.5	-100	0.0384	1,229,111	14,539,082	(1,316,243)
369-21&22-1	UNDERGROUND SERVICES	8,742,809	1,513,564	52	R1.5	-25	0.0240	210,164	1,343,262	170,302	52	R1.5	-30	0.0250	218,221	1,395,360	118,204
370-11&20-1	METERS & INSTALLATION	32,073,593	9,521,616	32	R1.5	0	0.0313	1,002,300	10,919,194	(1,397,578)	30	LO	0	0.0333	1,068,051	8,241,163	1,280,453
371-00-1	INSTALLATION ON CUST. PREMISES	4,092,926	1,637,512	20	R0.5	-15	0.0575	235,343	1,341,172	296,340	22	R0.5	-20	0.0545	222,871	1,291,315	346,197
372-00-1	LEASED PROP. ON CUST. PREMISES	633,882	511,595	11	L2	0	0.0000	0	245,194	266,401	7	S1.5	5	0.1358	86,053	335,806	175,789
373-00-1	STREET LIGHTS & CONDUCTORS	8,720,898	3,892,475	30	L0	-25	0.0417	363,371	3,390,675	501,800	30	R0.5	-30	0.0426	371,708	4,500,627	(608,152)
	DISTRIBUTION TOTAL	601,861,611	159,404,270				0.0242	14,564,515	153,885,372	5,518,898				0.0255	15,367,746	168,484,986	(9,080,716)
390-00-1	GENERAL PLANT STRUCTURES AND IMPROVEMENTS	761,681	337,296	40	R1.5	-30	0.0325	24,755	391,509	(54,213)	37	R0.5	-20	0.0324	24,678	318,334	18,962
	ELECTRIC TOTAL	804,876,582	233,232,132				0.0236	19,011,505	225,360,441	7,871,691				0.0251	20,207,632	242,071,492	(8,839,360)

Central Hudson Gas & Electric Corporation
Depreciation Factors and Rates - Gas Department

C U R R E N T											P R O P O S E D						
Account	Account Description	Original Cost @ 12/31/07	12/31/2007 Accumulated Book Depreciation	ASL	Curve Type	Net Salv. %	Annual Rate	Annual Accrual	Theoretical Requirement	Difference Book & Theo Requirement	ASL	Curve Type	Net Salv. %	Annual Rate	Annual Accrual	Theoretical Requirement	Difference Book & Theo Requirement
PRODUCTION																	
305-00-2	STRUCTURES & IMPROVEMENTS	991,122	475,758	75	R4	-10	0.014666207	14,536	237,645	238,113	60	R3	-10	0.0184	18,207	277,347	198,411
311-00-2	LIQUIFIED PETROLEUM GAS EQUIP	4,239,097	3,049,469	60	R4	-45	0.0242	102,445	2,071,940	977,529	55	R2.5	-40	0.0255	108,012	1,967,650	1,081,819
320-10-2	OTHER PRODUCTION EQUIPMENT	7,608	(1,468)	25	S3	+0	0.0400	304	3,997	(5,465)	25	S3	+0	0.0347	264	3,998	(5,466)
PRODUCTION TOTAL		5,237,827	3,523,759				0.0224	117,285	2,313,582	1,210,177				0.0241	126,483	2,248,995	1,274,764
TRANSMISSION																	
365-11&20-2	LAND & LAND RIGHTS	1,187,148	662,588	70	S4	0	0.0143	16,959	671,452	(8,864)	70	S4	0	0.0143	16,976	671,421	(8,833)
366-20-2	STRUCTURES & IMPROVEMENTS	266,047	123,264	45	R3	-40	0.0311	8,277	178,068	(54,804)	45	S2	-40	0.0311	8,269	173,311	(50,047)
367-00-2	MAINS	21,448,463	16,767,875	68	R4	-40	0.0206	441,586	13,931,046	2,836,829	70	R2.5	-30	0.0186	398,727	11,401,265	5,366,610
369-11-2	STATION EQUIPMENT	5,821,583	2,852,723	35	R1	-30	0.0371	216,230	2,059,294	793,429	33	R2	-25	0.0379	220,492	2,466,808	385,915
369-12-2	SUPERVISORY EQUIPMENT	425,581	202,436	18	S0.5	-20	0.0667	28,372	233,965	(31,529)	18	S0.5	-25	0.0686	29,212	243,747	(41,311)
TRANSMISSION TOTAL		29,148,822	20,608,886				0.0244	711,424	17,073,825	3,535,061				0.0231	673,676	14,956,552	5,652,334
DISTRIBUTION																	
374-11-2	LAND & LAND RIGHTS	181,775	72,712	70	R3	0	0.014286893	2,597	70,702	2,010	70	R3	0	0.0143	2,599	70,704	2,008
375-00-2	STRUCTURES & IMPROVEMENTS	336,532	206,135	60	L2	-30	0.0217	7,292	153,081	53,054	50	R2.5	-30	0.0243	8,174	193,126	13,009
376-00-2	MAINS	101,141,536	26,393,360	85	R3	-60	0.0188	1,903,841	28,817,343	(2,423,983)	85	R2.5	-60	0.0189	1,909,552	27,391,477	(998,117)
378-11-2	STATION EQUIPMENT	8,325,539	2,583,161	35	L1	-35	0.0386	321,128	2,390,376	192,785	32	R1.5	-60	0.0500	416,178	3,232,622	(649,461)
378-12-2	SUPERVISORY EQUIPMENT	80,969	70,877	30	L0	-15	0.0383	3,104	25,189	45,688	25	L0	-60	0.0640	5,182	39,506	31,371
380-00-2	SERVICES	67,046,146	19,822,334	70	R2	-60	0.0229	1,532,483	17,914,937	1,907,397	70	R2.5	-70	0.0243	1,629,892	20,038,125	(215,791)
381-00-2	METERS	11,484,139	1,624,581	32	R1.5	-10	0.0344	394,767	2,951,830	(1,327,249)	27	L1.5	-2	0.0377	433,411	3,171,597	(1,547,016)
382-00-2	METER INSTALLATIONS	11,105,967	2,889,396	40	R2	-15	0.0288	319,297	2,712,226	177,170	27	L1.5	-2	0.0377	419,139	3,105,143	(215,747)
385-00-2	INDUSTRIAL-STATION EQUIPMENT	893,795	669,860	55	R3	-30	0.0289	25,821	440,978	228,882	40	R2.5	-25	0.0312	27,903	524,346	145,514
385-10-2	INDUSTRIAL-STATION EQUIPMENT	188,844	9,955	55	R3	-30	0.0236	4,464	46,222	(36,267)	25	S2.5	-25	0.0500	9,442	96,328	(86,373)
DISTRIBUTION TOTAL		200,785,242	54,342,371				0.0225	4,514,794	55,522,884	(1,180,513)				0.0242	4,861,472	57,862,974	(3,520,603)
GAS TOTAL		235,171,891	78,475,016				0.0227	5,343,503	74,910,291	3,564,725				0.0241	5,661,631	75,068,521	3,406,495
IROQUOIS TRANSMISSION																	
365-50-2	LAND & LAND RIGHTS	154,910	149,205	70	S4	0	0.0143	102	149,358	(153)	70	S4	0	0.0143	102	149,358	(153)
366-50-2	STRUCTURES & IMPROVEMENTS	128,610	116,390	45	R3	-40	0.0311	666	159,999	(43,609)	45	S2	-40	0.0311	666	159,999	(43,609)
367-50-2	MAINS	10,810,406	10,555,424	68	R2.5	-40	0.0206	8,972	10,503,070	52,354	70	R2.5	0	0.0143	6,228	10,463,871	91,553
369-51-2	STATION EQUIPMENT	1,772,623	1,626,110	35	R2	-30	0.0371	10,954	2,050,620	(424,510)	33	R2	-25	0.0379	11,190	1,979,570	(353,460)
369-52-2	SUPERVISORY EQUIPMENT	75,436	73,827	18	S0.5	-20	0.0667	838	71,595	2,232	18	S0.5	-25	0.0695	874	87,684	(13,857)
IROQUOIS TRANSMISSION TOTAL		12,941,985	12,520,956				0.0017	21,532	12,934,642	(413,686)				0.0015	19,060	12,840,482	(319,526)
TOTAL		248,113,876	90,995,972					5,365,035	87,844,933	3,151,039					5,680,691	87,909,003	3,086,969

Central Hudson Gas & Electric Corporation
Depreciation Factors and Rates - Common Department

Account	Account Description	Original Cost @ 12/31/07	12/31/2007 Accumulated Book Depreciation	C U R R E N T					P R O P O S E D					Difference Book & Theo. Requirement			
				ASL	Curve Type	Net Salv. %	Annual Rate	Annual Accrual	Theoretical Requirement	ASL	Curve Type	Net Salv. %	Annual Rate		Annual Accrual	Theoretical Requirement	
390-00-4	General Structures & Improvements	34,951,176	6,156,826	50	L0	-50	0.0300	1,048,535	9,838,575	(3,681,749)	50	O1	-55	0.0310	1,083,486	9,809,031	(3,652,205)
392-10-4	Transportation Equip- Electric	2,608,196	2,476,830	8	L3	+10	0.1125	293,422	1,566,828	910,002	10	L2.5	+10	0.0870	226,795	1,264,156	1,212,674
392-20-4	Transportation Equip- Gas	2,604,704	2,014,352	8	L3	+10	0.1125	293,029	1,303,698	710,654	10	L2.5	+10	0.0900	234,423	1,084,805	929,547
392-40-4	Transportation Equip- Common	9,433,726	5,075,531	8	L3	+10	0.1125	1,061,294	4,256,679	818,852	10	L2.5	+10	0.0898	846,719	3,655,226	1,420,305
		14,646,626	9,566,713				0.1125	1,647,745	7,127,205	2,439,508				0.0893	1,307,937	6,004,187	3,562,526
396-10-4	Power Operated Equip- Electric	21,021,176	5,825,229	12	L3	+15	0.0708	1,488,299	7,669,085	(1,843,856)	12	L3	+10	0.0748	1,573,279	8,122,612	(2,297,383)
396-20-4	Power Operated Equip- Gas	2,525,436	1,355,277	12	L3	+15	0.0708	178,801	1,137,055	218,222	12	L3	+15	0.0708	178,814	1,135,774	219,503
396-40-4	Power Operated Equip- Common	795,583	387,719	12	L3	+15	0.0708	56,327	338,687	49,032	12	L3	+15	0.0708	56,331	338,766	48,953
		24,342,195	7,568,225				0.0708	1,723,427	9,144,827	(1,576,602)				0.0743	1,808,424	9,597,152	(2,028,927)
Common - Other than General Equip		73,939,997	23,291,764				0.0598	4,419,707	26,110,607	(2,818,843)				0.0568	4,199,847	25,410,370	(2,118,606)

The following schedule reflects common General Equipment plant accounts which are subject to the Vintage Accounting Method. The existing plant balances will continue to be depreciated using the current depreciation factors. Any additions to General Equipment vintage property after the start of the rate year would be segregated in new accounts, as noted by the X's below and would be subject to the proposed rates.

Account	Account Description	Original Cost @ 12/31/07	12/31/2007 Accumulated Book Depreciation	C U R R E N T					P R O P O S E D					Difference Book & Theo. Requirement			
				ASL	Curve Type	Net Salv. %	Annual Rate	Annual Accrual	Theoretical Requirement	ASL	Curve Type	Net Salv. %	Annual Rate		Annual Accrual	Theoretical Requirement	
* 390-10-4	Gen Struct & Imp-Leased Prop	1,259,130	1,237,117	50	L0	-50	0.0300	37,774	1,237,117	0	50	L0	+0	0.0300	0	1,237,117	0
391-11-4	EDP Equip- System and Main Frame	10,375,257	5,947,852	8	L3	+0	0.1250	1,296,907	5,947,852	0	8	L3	+0	0.1250	1,296,907	5,947,852	0
391-XX-4	EDP Equip- System and Main Frame										5	SQ	+0	0.2000			
391-12-4	EDP- Systems Operations - SCADA	2,740,580	1,527,544	12	L2	+0	0.0833	228,363	1,527,544	0	12	L2	+0	0.0833	228,363	1,527,544	0
391-1X-4	EDP- Systems Operations - SCADA										10	SQ	+0	0.1000			
391-21-4	Data Handling Equipment	92,989	2,446,464	20	L0	+0	0.0500	4,649	2,446,464	0	20	L0	+0	0.0500	4,649	2,446,464	0
391-2X-4	Data Handling Equipment										10	SQ	+0	0.1000			
391-22-4	Office Furniture	4,589,473	included above	20	L0	+0	0.0500	229,474	included above	0	20	L0	+0	0.0500	229,474	included above	0
391-2X-4	Office Furniture										15	SQ	+0	0.0667			
393-00-4	Stores Equipment	310,088	154,931	35	L2	+0	0.0286	8,861	154,931	0	35	L2	+0	0.0286	8,861	154,931	0
393-0X-4	Stores Equipment										25	SQ	+0	0.0400			
393-20-4	Stores Equipment- Forklifts	391,137	192,234	35	L2	+0	0.0286	11,178	192,234	0	35	L2	+0	0.0286	11,178	192,234	0
393-2X-4	Stores Equipment- Forklifts										25	SQ	+0	0.0400			
394-10-4	Garage & Repair Equipment	267,130	152,325	30	R1.5	+0	0.0333	8,904	152,325	0	30	R1.5	+0	0.0333	8,904	152,325	0
394-1X-4	Garage & Repair Equipment										25	SQ	+0	0.0400			
394-20-4	Shop Equipment	783,742	330,965	30	R1.5	+0	0.0333	26,125	330,965	0	30	R1.5	+0	0.0333	26,125	330,965	0
394-2X-4	Shop Equipment										25	SQ	+0	0.0400			
394-30-4	Tools & Work Equipment	8,449,523	3,358,785	30	R1.5	+0	0.0333	281,651	3,358,785	0	30	R1.5	+0	0.0333	281,651	3,358,785	0
394-3X-4	Tools & Work Equipment										25	SQ	+0	0.0400			
395-10-4	Laboratory Equipment	1,853,899	950,837	35	L1	+0	0.0286	52,985	950,837	0	35	L1	+0	0.0286	52,985	950,837	0
395-1X-4	Laboratory Equipment										20	SQ	+0	0.0500			
395-20-4	Laboratory Equipment- R&D	5,082	Included above	35	L1	+0	0.0286	0	Included above	0	35	L1	+0	0.0286	0	Included above	0
395-2X-4	Laboratory Equipment- R&D										20	SQ	+0	0.0500			
397-10-4	Communication Equipment - Radio	3,232,624	1,645,834	20	R2.5	+0	0.0500	161,631	1,645,834	0	20	R2.5	+0	0.0500	161,631	1,645,834	0
397-1X-4	Communication Equipment - Radio										15	SQ	+0	0.0667			
397-20-4	Communication Equipment - Telephone	2,120,888	1,473,211	10	L3	+0	0.1000	212,089	1,473,211	0	10	L3	+0	0.1000	212,089	1,473,211	0
397-2X-4	Communication Equipment - Telephone										10	SQ	+0	0.1000			
398-00-4	Miscellaneous General Equipment	273,790	122,089	30	R0.5	+0	0.0333	9,126	122,089	0	30	R0.5	+0	0.0333	9,126	122,089	0
398-XX-4	Miscellaneous General Equipment										20	SQ	+0	0.0500			
Common - Gen Equip Vintage Accounts		36,745,332	19,540,188					2,569,717	19,540,188	0				2,531,943	19,540,188	0	
Total Common		110,685,329	42,831,952					6,989,424	45,650,795	(2,818,843)				6,731,790	44,950,558	(2,118,606)	

* NOTE: This account will be fully depreciated by the end of 2008.