

SCHEDULE OF EXHIBITS

ELECTRIC INCOME STATEMENT: (RRP-1)

Twelve Months Ended March 31, 2008;
Twelve Months Ended December 31, 2008;
Twelve Months Ended December 31, 2009;
Rate Year - Twelve Months Ended June 30, 2010

GAS INCOME STATEMENT: (RRP-2)

Twelve Months Ended March 31, 2008;
Twelve Months Ended December 31, 2008;
Twelve Months Ended December 31, 2009;
Rate Year - Twelve Months Ended June 30, 2010

SCHEDULE OF DIRECT LABOR (RRP-3)

SCHEDULE OF INSURANCE COSTS (RRP-4)

RATE BASE SUMMARY: (RRP-5)

Twelve Months Ended March 31, 2008

RATE BASE SUMMARY: (RRP-6)

Twelve Months Ended December 31, 2008;
Twelve Months Ended December 31, 2009;
Rate Year - Twelve Months Ended June 30, 2010

DISPOSITION OF DEFERRED ITEMS (RRP-7)

EXPENSE ITEMS REMOVED FROM "EXPENSE PROJECTIONS
BASED ON INFLATION" (RRP-8)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC INCOME STATEMENT

RATE YEAR

Twelve Months Ending June 30, 2010

- Schedule A - Income Statements for the:
 - Year Ended March 31, 2008
 - Year Ending December 31, 2008
 - Year Ending December 31, 2009

- Schedule A-1 - Summary of Normalization Adjustments:
Effect on Operating Income and Income Taxes for the
Months Ended March 31, 2008

- Schedule A-2 - Reconciliation of Total Operating Deductions for the
Historic Period
(Twelve Months Ended March 31, 2008)

- Schedule B - Twelve Months Ending June 30, 2010 After Rate Change

- Schedule C - Details of Operating Expenses By Component

Central Hudson Gas & Electric Corporation
Electric Operations Income Statement
and Rate of Return for Periods Indicated
(\$000)

	Twelve Months Ended March 31, 2008				Year Ending	Year Ending
	Per	Normalization Adjustment		As	December 31,	December 31,
	Books	Ref	Amount	Adjusted	2008	2009
Operating Revenues						
Own Territory Delivery Revenues	\$213,243	1.	(\$453)	\$212,790	\$211,545	\$219,781
ECAM Revenues	374,261	2.	(374,261)	0	0	0
SBC & RPS Surcharge Revenues	8,857	3.	(8,857)	0	0	0
Subtotal - Delivery Rates	596,361		(383,571)	212,790	211,545	219,781
Resale Revenues	5,842	4.	(5,842)	0	0	0
Other Operating Revenues	6,792	5.	111	6,903	6,809	6,741
Total Operating Revenues	608,995		(389,302)	219,693	218,354	226,522
Operating Expenses						
Fuel	69	6.	(69)	0	0	0
Purchased Power	373,142	7.	(373,142)	0	0	0
System Benefits and Renewable Portfolio Charge	8,857	8.	(8,857)	0	0	0
CBA - Economic Development	653	9.	(653)	0	0	0
CBA - Competitive Metering Initiative	13	10.	(13)	0	0	0
Production Maintenance	47			47	96	348
Right of Way Maintenance - Transmission	2,132			2,132	2,725	1,915
Right of Way Maintenance - Distribution	7,624			7,624	8,947	9,526
Labor	43,488	11.	(7)	43,481	43,574	44,560
Research and Development	1,845			1,845	1,770	1,971
Expenses Projected Based on Inflation	8,962			8,962	9,114	9,316
Miscellaneous General Expenses	2,563	12.	73	2,636	2,836	2,891
Transportation - Depreciation	1,666			1,666	1,709	1,717
Transportation - Fuel	832	13.	234	1,066	1,162	1,301
Fringe Benefits	5,245	14.	60	5,305	5,628	5,934
Other Post Employee Benefits	8,341			8,341	7,998	5,693
Pension Plan	10,515			10,515	10,081	9,197
Contract Rents	2,392	15.	(561)	1,831	1,778	1,782
Uncollectible Accounts	3,630	16.	(2,472)	1,158	1,230	1,253
Regulatory Commission Expenses	1,516			1,516	1,603	1,687
Information Technology Expense	2,108	17.	(456)	1,652	1,759	1,985
Other Operating Insurance	1,285			1,285	1,224	1,230
Telephone	1,721	18.	65	1,786	1,817	1,857
Legal Services	2,285			2,285	2,323	2,375
Special Services	1,150			1,150	1,169	1,195
Injuries and Damages	1,915	19.	(98)	1,817	1,873	1,950
Storm Restoration	3,654	20.	727	4,381	4,455	4,553
Environmental	211	21.	43	254	357	453
Enhanced Powerful Opportunities Program	1,082	22.	6	1,088	1,200	1,116
Expenses Allocated to Affiliates	(641)			(641)	(652)	(667)
Stray Voltage Testing	2,238			2,238	2,275	2,146
MGP Remediation Cost Recovery	1,050			1,050	1,400	4,000
Bill Print & Mail to Customer	542			542	561	588
Informational & Institutional Advertising	408	23.	10	418	428	466
Energy Efficiency Program	123			123	0	0
Transmission Enhanced Infrastructure Maintenance	0			0	0	350
Transmission Sag Mitigation	0			0	0	550
Economic Development	0			0	0	107
Competition Education Program	298			298	298	298
Total Operating Expenses	502,961		(385,110)	117,851	120,738	123,643
Other Deductions						
Variable Rate Debt Interest Overcollection	(530)			(530)	(321)	(47)
Amort of Preferred Redemption Premium	77			77	77	39
Property Taxes	19,798			19,798	20,630	20,641
Revenue Taxes	3,647	24.	(2,284)	1,363	2,964	3,457
Payroll Taxes	3,155			3,155	3,218	3,426
Other Taxes	1,428	25.	(91)	1,337	1,364	1,401
Accretion	32	26.	(32)	0	0	0
Depreciation	22,465	27.	456	22,921	23,913	26,659
Total Other Deductions	50,072		(1,951)	48,121	51,845	55,576
Federal Income Taxes	14,155		(729)	13,426	10,026	10,486
State Income Taxes	2,544		(159)	2,385	2,142	1,840
Total Income Taxes	16,699	28.	(888)	15,811	12,168	12,326
Total Operating Revenue Deductions	569,732		(387,949)	181,783	184,751	191,545
Operating Income	39,263		(1,353)	37,910	33,603	34,977
Rate Base	549,856		0	549,856	575,882	631,466
Rate of Return	7.14%			6.89%	5.84%	5.54%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
ELECTRIC DEPARTMENT INCOME
SUMMARY OF NORMALIZATION ADJUSTMENTS AND INCOME TAX EFFECT
TWELVE MONTHS ENDED MARCH 31, 2008

	<u>Effect on Operating Income</u>	<u>Income Tax Effect @ 39.615%</u>
1.A. Adjustment to remove Shared Earnings Deferral	207	(82)
1.B. Adjustment to reclassify Powerful Opportunities Program - Lost Revenues as Expense	6	(2)
1.C. Adjustment to reclassify CBA - Economic Development expense as revenue	(653)	259
1.D. Adjustment to reclassify CBA - Competitive Metering Initiative expense as revenue	(13)	5
Total Adjustment	<u>(453)</u>	<u>180</u>
2.A. Adjustment to reclassify Purchased Power expense	(367,349)	145,525
2.B. Adjustment to reclassify Carrying Charge on Working Capital as non operating income	(2,719)	1,077
2.C. Adjustment to reclassify Revenue Taxes	(2,235)	885
2.D. Adjustment to reclassify Uncollectible Expense	(1,889)	748
2.E. Adjustment to reclassify Fuel expense	(69)	27
Total Adjustment	<u>(374,261)</u>	<u>148,262</u>
3. Adjustment to reclassify System Benefits and Renewable Portfolio Surcharge	(8,857)	3,509
4.A. Adjustment to reclassify Purchased Power expense	(5,793)	2,295
4.B. Adjustment to reclassify Revenue Taxes	(49)	19
Total Adjustment	<u>(5,842)</u>	<u>2,314</u>
5. Adjustment to remove Customer Service Penalty	111	(44)
6. Adjustment to reclassify to ECAM Revenues	69	(27)
7.A. Adjustment to reclassify to ECAM Revenues	367,349	(145,525)
7.B. Adjustment to reclassify to Resale Revenues	5,793	(2,295)
Total Adjustment	<u>373,142</u>	<u>(147,820)</u>
8. Adjustment to reclassify to SBC & RPS Surcharge Revenues	8,857	(3,509)
9. Adjustment to reclassify to Own Territory Revenues	653	(259)
10. Adjustment to reclassify to Own Territory Revenues	13	(5)
11. Adjustment to decrease Direct Labor for balance of lost time costs cleared to expense in excess of the actual costs incurred	7	(3)
12. Adjustment to reflect 12 months of insurance premium related to NYSERDA Debt	(73)	29
13. Adjustment to reflect latest unit price paid in April 2008 for fuel, which was applied to historic year volumes	(234)	93
14.A. Adjustment to reflect 12 months of Dental Plan payments	(7)	3
14.B. Adjustment to reflect 12 months of premiums related to MVP Select Stop Loss	(9)	4
14.C. Adjustment to reflect 12 months of premiums related to MVP Select Medical	(53)	21
14.D. Adjustment to reflect 12 months of premiums related to Long-Term Disability	9	(4)
Total Adjustment	<u>(60)</u>	<u>24</u>
15.A. Adjustment to reflect 12 months of rental related to Con Ed East Fishkill Substation	102	(40)
15.B. Adjustment to remove prior period billings related to HG Transmission Line	25	(10)
15.C. Adjustment to remove Johnson Building rental agreement	441	(175)
15.D. Adjustment to reflect change in allocation method related to Route 6 Development	(7)	3
Total Adjustment	<u>561</u>	<u>(222)</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
ELECTRIC DEPARTMENT INCOME
SUMMARY OF NORMALIZATION ADJUSTMENTS AND INCOME TAX EFFECT
TWELVE MONTHS ENDED MARCH 31, 2008

	<u>Effect on Operating Income</u>	<u>Income Tax Effect @ 39.615%</u>
16.A. Adjustment to reclassify Uncollectibles collected via ECAM	1,889	(748)
16.B. Adjustment to decrease expense to a level equal to actual write-offs of applicable revenues	583	(231)
Total Adjustment	<u>2,472</u>	<u>(979)</u>
17. Adjustment to reclassify Software Amortization as Depreciation	456	(181)
18. Adjustment to remove credits received for one-time refunds related to charges incurred during 2007.	(65)	26
19.A. Adjustment to reflect a four-year average related to the payment of damage claims	252	(100)
19.B. Adjustment to reflect a four-year average related to miscellaneous accident expense	(5)	2
19.C. Adjustment to reflect a four-year average related to the payment of workers compensation claims	(149)	59
Total Adjustment	<u>98</u>	<u>(39)</u>
20. Adjustment to reflect a four-year average related to storm expense	(727)	288
21. Adjustment to remove expenses incurred related to one-time events	(43)	17
22. Adjustment to reclassify Powerful Opportunities Program Lost Revenues as expense	(6)	2
23. Adjustment to reflect Informational & Institutional Advertising @ .07% of Operating Revenues including commodity	(10)	4
24.A. Adjustment to reclassify Revenue Taxes related to Resale Revenues	49	(19)
24.B. Adjustment to reclassify Revenue Taxes related to ECAM	2,235	(885)
Total Adjustment	<u>2,284</u>	<u>(904)</u>
25. Adjustment to remove audit adjustments reflected in historic year	91	(36)
26. Adjustment to reclassify Accretion expense as non-operating for ratemaking purposes	32	(13)
27. Adjustment to reclassify Software Amortization as Depreciation	<u>(456)</u>	<u>181</u>
Subtotal	(2,241)	888
28. Federal & State Income Tax Adjustment	<u>888</u>	
Total Adjustment to Operating Income	<u>(1,353)</u>	

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC OPERATIONS

RECONCILIATION OF HISTORICAL PERIOD

TWELVE MONTHS ENDED MARCH 31, 2008

(\$000)

Total Operating Expenses for the Year Ended March 31, 2008 per Exhibit____(AP-1), Schedule B, Sheet 1 of 4	<u>\$569,975</u>
Reclassification of Non-operating Items Allowed for Rate Purposes:	
Deferred Variable Rate Long-Term Debt Interest Under Collection	(530)
Amortization of Preferred Redemption Premium	77
Related Federal Income Tax Adjustments on Above	186
Related State Income Tax Adjustments on Above	<u>24</u>
Subtotal	<u>(243)</u>
Total Operating Revenue Deductions for the Year Ended March 31, 2008 Exhibit____(RRP-1), Schedule A, Per Books	<u>\$569,732</u>

Central Hudson Gas & Electric Corporation
Electric Operations Income Statement
and Rate of Return for Periods Indicated
(\$000)

	Rate Year - Twelve Months Ending June 30, 2010						
	Before Proposed Rate Moderation & Rate Change	Rate Increase Before Moderators	Rate Year Before Rate Moderators	Effect of Rate Moderators	With Moderation & Before Proposed Rate Change	Impact of Proposed Rate Change	Rate Year at Proposed Rates
Operating Revenues							
Own Territory Delivery Revenues	\$217,820	\$36,630	\$254,450	\$0	\$217,820	\$35,410	\$253,230
ECAM Revenues	0		0	0	0		0
SBC & RPS Surcharge Revenues	0		0	0	0		0
Subtotal - Delivery Rates	217,820	36,630	254,450	0	217,820	35,410	253,230
Resale Revenues	0		0	0	0		0
Other Operating Revenues	6,743		6,743	0	6,743		6,743
Total Operating Revenues	224,563	36,630	261,193	0	224,563	35,410	259,973
Operating Expenses							
Fuel	0		0	0	0		0
Purchased Power	0		0	0	0		0
System Benefits and Renewable Portfolio Charge	0		0	0	0		0
CBA - Economic Development	0		0	0	0		0
CBA - Competitive Metering Initiative	0		0	0	0		0
Production Maintenance	516		516	0	516		516
Right of Way Maintenance - Transmission	1,592		1,592	0	1,592		1,592
Right of Way Maintenance - Distribution	9,792		9,792	0	9,792		9,792
Labor	46,777		46,777	0	46,777		46,777
Research and Development	1,927		1,927	0	1,927		1,927
Expenses Projected Based on Inflation	9,419		9,419	0	9,419		9,419
Miscellaneous General Expenses	2,926		2,926	0	2,926		2,926
Transportation - Depreciation	1,736		1,736	0	1,736		1,736
Transportation - Fuel	1,379		1,379	0	1,379		1,379
Fringe Benefits	6,195		6,195	0	6,195		6,195
Other Post Employee Benefits	3,713		3,713	0	3,713		3,713
Pension Plan	8,666		8,666	0	8,666		8,666
Contract Rents	1,885		1,885	0	1,885		1,885
Uncollectible Accounts	1,259	209	1,468	0	1,259	202	1,461
Regulatory Commission Expenses	1,753		1,753	0	1,753		1,753
Information Technology Expense	2,006		2,006	0	2,006		2,006
Other Operating Insurance	1,247		1,247	0	1,247		1,247
Telephone	1,877		1,877	0	1,877		1,877
Legal Services	2,401		2,401	0	2,401		2,401
Special Services	1,251		1,251	0	1,251		1,251
Injuries and Damages	2,000		2,000	0	2,000		2,000
Storm Restoration	4,603		4,603	0	4,603		4,603
Environmental	457		457	0	457		457
Enhanced Powerful Opportunities Program	1,127		1,127	0	1,127		1,127
Expenses Allocated to Affiliates	(674)		(674)	0	(674)		(674)
Stray Voltage Testing	2,023		2,023	0	2,023		2,023
MGP Remediation Cost Recovery	6,599		6,599	0	6,599		6,599
Bill Print & Mail to Customer	602		602	0	602		602
Informational & Institutional Advertising	502	26	528	0	502	25	527
Energy Efficiency Program	0		0	0	0		0
Transmission Enhanced Infrastructure Maintenance	700		700	0	700		700
Transmission Sag Mitigation	1,100		1,100	0	1,100		1,100
Economic Development	213		213	0	213		213
Competition Education Program	298		298	0	298		298
Total Operating Expenses	127,867	234	128,101	0	127,867	227	128,094
Other Deductions							
Variable Rate Debt Interest Overcollection	0		0	0	0		0
Amort of Preferred Redemption Premium	0		0	0	0		0
Property Taxes	20,649		20,649	0	20,649		20,649
Revenue Taxes	3,436	910	4,346	0	3,436	880	4,316
Payroll Taxes	3,486		3,486	0	3,486		3,486
Other Taxes	1,419		1,419	0	1,419		1,419
Accretion	0		0	0	0		0
Depreciation	27,851		27,851	0	27,851		27,851
Total Other Deductions	56,841	910	57,751	0	56,841	880	57,721
Federal Income Taxes	8,306	11,538	19,844	96	8,402	11,154	19,556
State Income Taxes	1,032	2,519	3,551	21	1,053	2,436	3,488
Total Income Taxes	9,338	14,057	23,396	117	9,455	13,589	23,044
Total Operating Revenue Deductions	194,046	15,202	209,248	117	194,163	14,696	208,859
Operating Income	30,517	21,428	51,945	(117)	30,400	20,714	51,114
Rate Base	665,453		665,453	(10,640)	654,813		654,813
Rate of Return	4.59%		7.81%		4.64%		7.81%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC OPERATING EXPENSES

DETAILS BY COMPONENT

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
Fuel Expense						
Production	69	(69)	0	0	0	0
Gas Turbine	69	(69)	0	0	0	0
NMP2 D&D Fund Assessment	0	0	0	0	0	0
Total	69	(69)	0	0	0	0
Purchased Power						
Production	373,142	(373,142)	0	0	0	0
Water for Power						
Production - Hydro	0	0	0	0	0	0
System Benefit & Renewable Portfolio						
Customer Services	7,534	(7,534)	0	0	0	0
Administrative & General	1,323	(1,323)	0	0	0	0
Total	8,857	(8,857)	0	0	0	0
System Benefits Charge	6,141	(6,141)	0			
Renewable Portfolio Standards Charge	2,716	(2,716)	0			
Total	8,857	(8,857)	0	0	0	0
CBA Fund - Competitive Metering						
Customer Services	13	(13)	0	0	0	0
CBA Fund - Economic Development						
Customer Services	653	(653)	0	0	0	0
Production Maintenance						
Production - Hydro, Gas Turbine & Other	47	0	47	96	348	516
Sturgeon Pool	11	0	11	28	46	83
Dashville	4	0	4	2	87	87
High Falls	15	0	15	14	163	292
Coxsackie	3	0	3	23	23	24
South Cairo	14	0	14	23	23	24
Small Tools Purchased	0	0	0	6	6	6
Total	47	0	47	96	348	516
Right of Way Maintenance - Transmission						
Routine ROW Maintenance	904	0	904	800	1,063	1,083
Danger Tree Removal	2	0	2	106	62	63
Hot Spot Trimming	86	0	86	158	78	79
ROW Edge Reclamation	1,082	0	1,082	1,569	482	0
Mowing & Access Roads	0	0	0	0	130	265
Legal & Environmental	58	0	58	92	100	102
Total	2,132	0	2,132	2,725	1,915	1,592

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC OPERATING EXPENSES

DETAILS BY COMPONENT

(\$000)

Year Ended March 31, 2008

Expense Component & Detail	Per Books	Normalization Adjustment	As Adjusted	Year Ending	Year Ending	Rate Year
				December 31, 2008	December 31, 2009	Twelve Months Ending June 30, 2010
Right of Way Maintenance - Distribution						
Line Forces	16	0	16	82	88	90
Contract Distribution - Scheduled on Road	3,111	0	3,111	4,235	3,682	3,752
Contract Distribution - Scheduled off Road	2,147	0	2,147	2,077	2,523	2,571
Contract Distribution - Danger Trees	812	0	812	795	779	793
Line Clearance Forces	0	0	0	0	0	0
Enhanced Trimming - Distribution	903	0	903	1,002	1,654	1,770
Flagging - Line Clearance	635	0	635	756	800	816
Total	7,624	0	7,624	8,947	9,526	9,792
Direct Labor						
Production - Hydro, Gas Turbine & Other	1,704	0	1,704	1,708	1,746	1,833
Transmission	3,250	(1)	3,249	3,256	3,330	3,495
Distribution	15,048	(2)	15,046	15,078	15,419	16,187
Customer Accounts	6,930	(1)	6,929	6,944	7,101	7,454
Customer Services	919	0	919	921	942	989
Administrative & General	15,637	(3)	15,634	15,667	16,022	16,819
Total	43,488	(7)	43,481	43,574	44,560	46,777
Research & Development						
Production - Hydro, Gas Turbine & Other	0	0	0	0	0	0
Transmission	38	0	38	65	94	110
Distribution	261	0	261	679	349	199
Meter Reading	17	0	17	8	50	75
Customer Services	185	0	185	107	103	115
Administrative & General	1,344	0	1,344	911	1,375	1,428
Total	1,845	0	1,845	1,770	1,971	1,927
Expenses Projected Based on Inflation						
Production - Hydro, Gas Turbine & Other	483	0	483	491	503	508
Transmission	855	0	855	870	889	900
Distribution	2,279	0	2,279	2,316	2,367	2,394
Customer Accounts	1,560	0	1,560	1,588	1,623	1,640
Customer Services	666	0	666	678	692	700
Sales Promotion	0	0	0	0	0	0
Administrative & General	3,119	0	3,119	3,171	3,242	3,277
Total	8,962	0	8,962	9,114	9,316	9,419
Direct Invoices	5,414	0	5,414	5,506	5,627	5,690
Office Supplies and Expenses	2,232	0	2,232	2,270	2,320	2,345
Materials & Supplies	1,184	0	1,184	1,204	1,231	1,244
Postage	978	0	978	996	1,018	1,029
Transportation All Other	(27)	0	(27)	(28)	(28)	(29)
Miscellaneous Expenses	152	0	152	154	158	160
Miscellaneous Rents	191	0	191	194	198	201
Stores Handling Expenses	11	0	11	11	11	11
Meter Installations (Credit)	(295)	0	(295)	(300)	(307)	(310)
Transformer Installations & Removals (Cr)	(878)	0	(878)	(893)	(912)	(922)
Total	8,962	0	8,962	9,114	9,316	9,419
Miscellaneous General Expenses						
Administrative & General	2,563	73	2,636	2,836	2,891	2,926
Industry Association Dues	221	0	221	225	230	232
Publishing & Distributing Financial Information	551	0	551	560	572	578
PCB & Notes - Administrative Costs	166	73	239	259	276	296
Pollution Control Fees & Services	247	0	247	253	246	238
HSBC Bank Fees	0	0	0	152	152	152
Revolving Credit Agreement	119	0	119	108	107	108
Other General Expenses	1,259	0	1,259	1,279	1,308	1,322
Total	2,563	73	2,636	2,836	2,891	2,926

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC OPERATING EXPENSES

DETAILS BY COMPONENT

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
<u>Transportation Depreciation</u>						
Production	29	0	29	29	29	30
Transmission	141	0	141	144	145	147
Distribution	997	0	997	1,023	1,028	1,039
Customer Accounts	222	0	222	228	229	231
Customer Services	146	0	146	150	151	152
Administrative & General	131	0	131	135	135	137
Total	1,666	0	1,666	1,709	1,717	1,736
<u>Transportation Fuel</u>						
Production	14	4	18	20	22	24
Transmission	70	20	90	98	110	117
Distribution	498	140	638	695	780	825
Customer Accounts	111	31	142	155	173	183
Customer Services	73	21	94	102	114	121
Administrative & General	66	18	84	92	102	109
Total	832	234	1,066	1,162	1,301	1,379
<u>Fringe Benefits</u>						
Administrative & General	5,245	60	5,305	5,628	5,934	6,195
Medical Insurance	3,685	60	3,745	3,982	4,228	4,448
Group Life Insurance	117	0	117	122	124	129
Savings Incentive Plan	936	0	936	1,008	1,055	1,085
Other	507	0	507	516	527	533
Total	5,245	60	5,305	5,628	5,934	6,195
<u>Other Post Employ Ben (OPEB - FAS 106)</u>						
Administrative & General	8,341	0	8,341	7,998	5,693	3,713
<u>Pension Plan (FAS 87)</u>						
Administrative & General	10,515	0	10,515	10,081	9,197	8,666
<u>Contract Rents</u>						
Transmission	1,756	(102)	1,654	1,607	1,608	1,708
Distribution	605	(459)	146	140	144	146
Administrative & General	31	0	31	31	30	31
Total	2,392	(561)	1,831	1,778	1,782	1,885
Con Ed of NY - East Fishkill Substation	1,327	(102)	1,225	1,192	1,192	1,292
National Grid	195	0	195	195	195	195
Con Ed of NY - Pleasant Valley Substation	227	0	227	202	202	202
City of New York	119	(37)	82	84	88	90
Other Space Rentals & Easements	524	(422)	102	105	105	106
Total	2,392	(561)	1,831	1,778	1,782	1,885
<u>Uncollectible Accounts</u>						
Customer Accounts	3,630	(2,472)	1,158	1,230	1,253	1,259
<u>Regulatory Commission Expenses</u>						
Administrative & General	1,516	0	1,516	1,603	1,687	1,753
N.Y.S. Public Service Commission Assessment	1,516	0	1,516	1,603	1,687	1,753
Total	1,516	0	1,516	1,603	1,687	1,753

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC OPERATING EXPENSES

DETAILS BY COMPONENT

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
Information Technology Expense						
Production - Hydro, Gas Turbine & Other	19	0	19	132	175	178
Distribution	0	0	0	1	1	1
Customer Accounts	1,633	0	1,633	1,626	1,809	1,827
Administrative & General	456	(456)	0	0	0	0
Total	<u>2,108</u>	<u>(456)</u>	<u>1,652</u>	<u>1,759</u>	<u>1,985</u>	<u>2,006</u>
Hardware & Software - O & M	1,633	0	1,633	1,626	1,809	1,827
Amortization of Computer Software	456	(456)	0	0	0	0
EMS - Operation & Maintenance	19	0	19	132	175	178
Miscellaneous Data Processing Expense	0	0	0	1	1	1
Total	<u>2,108</u>	<u>(456)</u>	<u>1,652</u>	<u>1,759</u>	<u>1,985</u>	<u>2,006</u>
Other Operating Insurance						
Administrative & General	<u>1,285</u>	<u>0</u>	<u>1,285</u>	<u>1,224</u>	<u>1,230</u>	<u>1,247</u>
Directors & Officers Liability Insurance	697	0	697	680	678	688
All Risk Property Insurance	385	0	385	388	394	399
Brokerage Fees	100	0	100	50	51	51
Miscellaneous Other Insurance	103	0	103	106	107	109
Total	<u>1,285</u>	<u>0</u>	<u>1,285</u>	<u>1,224</u>	<u>1,230</u>	<u>1,247</u>
Telephone						
Production - Hydro, Gas Turbine & Other	10	0	10	10	10	10
Transmission	367	0	367	373	381	385
Distribution	989	0	989	1,006	1,028	1,039
Customer Accounts	145	0	145	148	151	153
Customer Services	7	0	7	7	8	8
Administrative & General	203	65	268	273	279	282
Total	<u>1,721</u>	<u>65</u>	<u>1,786</u>	<u>1,817</u>	<u>1,857</u>	<u>1,877</u>
Base & Toll Charges	709	17	726	738	755	763
Leased Lines	635	48	683	695	710	718
Wireless	342	0	342	348	355	359
Directory Advertising	35	0	35	36	37	37
Total	<u>1,721</u>	<u>65</u>	<u>1,786</u>	<u>1,817</u>	<u>1,857</u>	<u>1,877</u>
Legal Services						
Administrative & General	<u>2,285</u>	<u>0</u>	<u>2,285</u>	<u>2,323</u>	<u>2,375</u>	<u>2,401</u>
Thompson Hine	1,773	0	1,773	1,803	1,843	1,863
Hiscock & Barclay	148	0	148	151	154	156
Rizzo & Kelley	161	0	161	164	167	169
Jackson & Lewis	73	0	73	74	76	77
Winston & Strawn	61	0	61	62	63	64
Miscellaneous Legal Services < \$50k	69	0	69	69	72	72
Total	<u>2,285</u>	<u>0</u>	<u>2,285</u>	<u>2,323</u>	<u>2,375</u>	<u>2,401</u>
Special Services						
Administrative & General	<u>1,150</u>	<u>0</u>	<u>1,150</u>	<u>1,169</u>	<u>1,195</u>	<u>1,251</u>
Price Waterhouse Coopers	642	0	642	653	667	717
Hay Group	200	0	200	203	208	210
Pearl Meyer & Partners	48	0	48	49	50	50
Lazard Freres	96	0	96	97	99	100
Miscellaneous Consultants < \$50k	164	0	164	167	171	174
Total	<u>1,150</u>	<u>0</u>	<u>1,150</u>	<u>1,169</u>	<u>1,195</u>	<u>1,251</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC OPERATING EXPENSES

DETAILS BY COMPONENT

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
Injuries and Damages						
Administrative & General	1,915	(98)	1,817	1,873	1,950	2,000
Worker's Compensation Insurance	425	149	574	589	602	608
Excess Liability Insurance	781	0	781	822	876	915
Personal and Property Damage Claims	601	(252)	349	356	364	367
Brokerage Fees	62	0	62	54	55	56
Accident and Safety Activities	46	5	51	52	53	54
Total	1,915	(98)	1,817	1,873	1,950	2,000
Storm Restoration Expense						
Distribution	3,654	727	4,381	4,455	4,553	4,603
Total	3,654	727	4,381	4,455	4,553	4,603
Environmental Expense						
Production - Hydro, Gas Turbine & Other	0	0	0	0	0	0
Transmission	9	0	9	10	10	10
Distribution	86	0	86	100	102	103
Administrative & General	116	43	159	247	341	344
Total	211	43	254	357	453	457
Outside Services	2	0	2	15	15	16
Environmental Services	95	0	95	110	112	113
Environmental - Other Expenses	72	43	115	152	195	197
Regulatory Permit Fees	15	0	15	43	52	53
NY Industry Environmental Committee	17	0	17	22	23	23
Sustainability Report / Climate Change Assessment	0	0	0	0	40	40
Utility Solid Waste Activities Group	10	0	10	15	16	15
Total	211	43	254	357	453	457
Enhanced Powerful Opportunities Program						
Customer Services	196	0	196	565	957	1,127
Administrative & General	886	6	892	635	159	0
Total	1,082	6	1,088	1,200	1,116	1,127
Outside Services	2	0	2	15	16	16
Deferred Expense	886	0	886	635	159	0
Incentive Payment	34	0	34	186	322	390
Internal Labor	68	0	68	68	134	141
Lost Revenues	0	6	6	0	0	0
Outreach	15	0	15	19	21	22
Discounted Budget Billing Credit	53	0	53	248	429	520
Miscellaneous Expenses	24	0	24	29	35	38
Total	1,082	6	1,088	1,200	1,116	1,127
Expenses Allocated to Affiliates						
Administrative & General	(641)	0	(641)	(652)	(667)	(674)
Stray Voltage Testing						
Distribution	2,238	0	2,238	2,275	2,146	2,023

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC OPERATING EXPENSES

DETAILS BY COMPONENT

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
<u>MGP Remediation Cost Recovery</u>						
Administrative & General	1,050	0	1,050	1,400	4,000	6,599
<u>Bill Print & Mail to Customer</u>						
Customer Services	542	0	542	561	588	602
<u>Informational & Institutional Advertising</u>						
Customer Services	242	10	252	253	275	296
Sales Promotion	166	0	166	175	191	206
Total	408	10	418	428	466	502
<u>Energy Efficiency Program</u>						
Customer Services	3	0	3	0	0	0
Administrative & General	120	0	120	0	0	0
Total	123	0	123	0	0	0
General Office Expense	3	0	3	0	0	0
Labor	102	0	102	0	0	0
Development Expense	18	0	18	0	0	0
Total	123	0	123	0	0	0
<u>Transmission Enhanced Infrastructure Maint.</u>						
Transmission	0	0	0	0	350	700
Total	0	0	0	0	350	700
Routine Line Inspection	0	0	0	0	114	228
Repair Towers, Poles, Fixtures	0	0	0	0	90	180
Osmose Pole Treatment	0	0	0	0	38	75
Paint Towers	0	0	0	0	109	217
Total	0	0	0	0	350	700
<u>Economic Development</u>						
Customer Services	0	0	0	0	107	213
<u>Transmission Sag Mitigation</u>						
Transmission	0	0	0	0	550	1,100
<u>Competition Education Program</u>						
Administrative & General	298	0	298	298	298	298
<u>Taxes Other Than Income Taxes</u>						
Revenue Taxes	3,647	(2,284)	1,363	2,964	3,457	3,436
Property Taxes	19,798	0	19,798	20,630	20,641	20,649
Payroll Taxes	3,155	0	3,155	3,218	3,426	3,486
Other Taxes	1,428	(91)	1,337	1,364	1,401	1,419
Total	28,028	(2,375)	25,653	28,176	28,925	28,990

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ELECTRIC PROPERTY TAXES

(\$000)

	Twelve Months Ended March 31, 2008	Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
<u>School Taxes</u>				
Real Estate - School	\$8,226	\$8,348	\$8,804	\$9,054
Special Franchise - School	3,743	4,054	4,370	4,418
Total School Taxes	\$11,969	\$12,402	\$13,174	\$13,472
<u>Town, County & City Taxes</u>				
Real Estate - Town, County & City	\$4,151	\$4,184	\$4,379	\$4,492
Special Franchise - T, C & C	1,999	2,121	2,423	2,450
Total Town, County & City Taxes	\$6,150	\$6,305	\$6,802	\$6,942
<u>Village Taxes</u>				
Real Estate - Village	\$103	\$103	\$106	\$107
Special Franchise - Village	104	100	115	128
Total Village Taxes	\$207	\$203	\$221	\$235
Total Property Taxes	\$18,326	\$18,910	\$20,197	\$20,649
<u>Totals</u>				
Total Real Estate	\$12,480	\$12,635	\$13,289	\$13,653
Total Special Franchise	\$5,846	\$6,275	\$6,908	\$6,996
Subtotal Property Taxes	\$18,326	\$18,910	\$20,197	\$20,649
Deferral for Customer @ 90%	\$1,472	\$1,720	\$444	-
Total Property Taxes (w/ deferral)	\$19,798	\$20,630	\$20,641	\$20,649

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

GAS INCOME STATEMENT

RATE YEAR

Twelve Months Ending June 30, 2010

- Schedule A - Income Statements for the:
 - Year Ended March 31, 2008
 - Year Ending December 31, 2008
 - Year Ending December 31, 2009

- Schedule A-1 - Summary of Normalization Adjustments:
Effect on Operating Income and Income Taxes for the
Months Ended March 31, 2008

- Schedule A-2 - Reconciliation of Total Operating Deductions for the
Historic Period
(Twelve Months Ended March 31, 2008)

- Schedule B - Twelve Months Ending June 30, 2010 After Rate Change

- Schedule C - Details of Operating Expenses By Component

Central Hudson Gas & Electric Corporation
Gas Operations Income Statement
and Rate of Return for Periods Indicated
(\$000)

	Twelve Months Ended March 31, 2008				Year Ending December 31, 2008	Year Ending December 31, 2009
	Per Books	Ref	Normalization Adjustment Amount	As Adjusted		
Operating Revenues						
Own Territory Delivery Revenues	\$51,282	1.	(\$379)	\$50,903	\$52,352	\$51,774
GSC Revenues	93,212	2.	(93,212)	0	0	0
Subtotal - Own Territory Revenues	144,494		(93,591)	50,903	52,352	51,774
Resale Revenues	25,407	3.	(25,407)	0	0	0
Interruptible & Sales to Generators	6,808	4.	(5,808)	1,000	1,000	1,000
Other Operating Revenues	1,048			1,048	1,067	1,052
Total Operating Revenues	177,757		(124,806)	52,951	54,419	53,826
Operating Expenses						
Purchased Natural Gas	120,169	5.	(120,169)	0	0	0
Liquified Petroleum Gas	34	6.	(34)	0	0	0
Labor	10,370	7.	(2)	10,368	10,387	10,622
Research and Development	340	8.	(188)	152	213	374
Expenses Projected Based on Inflation	2,769	9.	249	3,018	3,068	3,137
Miscellaneous General Expenses	485	10.	20	505	560	570
Transportation - Depreciation	343			343	342	343
Transportation - Fuel	171	11.	48	219	239	268
Fringe Benefits	1,199	12.	14	1,213	1,241	1,309
Other Post Employee Benefits (OPEB)	1,728			1,728	1,675	1,373
Pension Plan	2,146			2,146	2,080	1,960
Environmental	38			38	66	79
Contract Rents	210	13.	(85)	125	128	130
Uncollectible Accounts	2,010	14.	(1,325)	685	615	609
Regulatory Commission Expenses	396			396	413	445
Information Technology Expense	379	15.	(103)	276	271	311
Other Operating Insurance	206			206	186	187
Telephone	268	16.	7	275	280	286
Legal Services	942			942	958	979
Special Services	332			332	337	345
Injuries and Damages	447	17.	(61)	386	393	408
Enhanced Powerful Opportunities Program	188	18.	4	192	212	197
Expenses Allocated to Affiliates	(113)			(113)	(115)	(118)
CBA - Economic Development	83	19.	(83)	0	0	0
MGP Remediation Cost Recovery	188			188	250	707
Informational & Institutional Advertising	65	20.	41	106	114	121
Bill Print & Mail to Customer	95			95	99	104
Excess Cost of Removal	232			232	235	244
Gas Leak Repairs - Distribution Main	831			831	849	1,319
Energy Efficiency Program	19			19	0	0
Economic Development	0			0	0	19
Competition Education Program	53			53	53	53
Recovery of Net Regulatory Assets	3,231			3,231	4,299	4,526
Total Operating Expenses	149,854		(121,667)	28,187	29,448	30,907
Other Deductions						
Variable Rate Debt Interest Overcollection	(144)			(144)	(87)	(12)
Amort of Preferred Redemption Premium	14			14	14	7
Property Taxes	5,381			5,381	5,586	5,614
Revenue Taxes	1,255	21.	(765)	490	796	948
Payroll Taxes	739			739	724	770
Other Taxes	242	22.	(16)	226	243	268
Accretion	2	23.	(2)	0	0	0
Depreciation	6,012	24.	103	6,115	6,268	6,956
Total Other Deductions	13,501		(680)	12,821	13,544	14,551
Federal Income Taxes	3,621		(799)	2,822	2,825	1,959
State Income Taxes	712		(175)	537	704	380
Total Income Taxes	4,333	25.	(974)	3,359	3,529	2,339
Total Operating Revenue Deductions	167,688		(123,321)	44,367	46,521	47,797
Operating Income	10,069		(1,485)	8,584	7,898	6,029
Rate Base	160,842		0	160,842	168,820	175,764
Rate of Return	6.26%			5.34%	4.68%	3.43%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
GAS DEPARTMENT INCOME
SUMMARY OF NORMALIZATION ADJUSTMENTS AND INCOME TAX EFFECT
TWELVE MONTHS ENDED MARCH 31, 2008

	<u>Effect on Operating Income</u>	<u>Income Tax Effect @ 39.615%</u>
1.A. Adjustment to reclassify Purchased Gas expense	(300)	119
1.B. Adjustment to reclassify CBA - Economic Development expense	(83)	33
1.C. Adjustment to reclassify Powerful Opportunities Program - Lost Revenues as Expense	<u>4</u>	<u>(2)</u>
Total Adjustment	(379)	150
2.A. Adjustment to reclassify Purchased Gas expense	(90,071)	35,682
2.B. Adjustment to reclassify Carrying Charge on Working Capital as non operating income	(1,696)	672
2.C. Adjustment to remove Annual Reconciliation Adjustment due Company	(72)	29
2.D. Adjustment to reclassify Revenue Taxes	(727)	288
2.E. Adjustment to reclassify Uncollectible Expense	(1,075)	426
2.F. Adjustment to remove Shareholder Retention of Capacity Release (15%)	(322)	128
2.G. Adjustment to reclassify Liquefied Petroleum Gas expense	(33)	13
2.H. Adjustment to reclassify Annual Reconciliation Adjustment to Interruptible Revenues	47	(19)
2.I. Adjustment to reclassify Sale for Resale Passback to Customers as GSC Revenues	<u>737</u>	<u>(292)</u>
Total Adjustment	(93,212)	36,927
3.A. Adjustment to reclassify Purchased Gas expense	(24,207)	9,590
3.B. Adjustment to reclassify Sale for Resale Passback to Customers as GSC Revenues	(737)	292
3.C. Adjustment to reclassify Carrying Charge on Working Capital as non operating income	(333)	132
3.D. Adjustment to remove Shareholder Retention of Sale for Resale Profit	<u>(130)</u>	<u>51</u>
Total Adjustment	(25,407)	10,065
4.A. Adjustment to reclassify Purchased Gas expense	(5,588)	2,214
4.B. Adjustment to reclassify Revenue Taxes	(38)	15
4.C. Adjustment to reclassify Annual Reconciliation Adjustment to Interruptible Revenues	(47)	19
4.D. Adjustment to exclude Shareholder Retention of Interruptible Profits	<u>(135)</u>	<u>53</u>
Total Adjustment	(5,808)	2,301
5.A. Adjustment to reclassify to GSC Revenues	90,073	(35,682)
5.B. Adjustment to reclassify to Interruptible Revenues	5,589	(2,214)
5.C. Adjustment to reclassify to Resale Revenues	24,207	(9,590)
5.D. Adjustment to reclassify to Delivery Revenues	<u>300</u>	<u>(119)</u>
Total Adjustment	120,169	(47,605)
6. Adjustment to reclassify to GSC Revenues	34	(13)
7. Adjustment to decrease Direct Labor for balance of lost time costs cleared to expense in excess of the actual costs incurred	2	(1)
8. Adjustment to remove Millennium Fund expenditures, net of deferral, collected via the Gas Supply Charge (GSC)	188	(74)
9. Adjustment to reflect a four-year average related to the first time installation of gas meters	(249)	99
10. Adjustment to reflect 12 months of insurance premium related to NYSERDA Debt	(20)	8
11. Adjustment to reflect latest unit price paid in April 2008 for fuel, which was applied to historic year volumes	(48)	19

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
GAS DEPARTMENT INCOME
SUMMARY OF NORMALIZATION ADJUSTMENTS AND INCOME TAX EFFECT
TWELVE MONTHS ENDED MARCH 31, 2008

	<u>Effect on Operating Income</u>	<u>Income Tax Effect @ 39.615%</u>
12.A. Adjustment to reflect 12 months of Dental Plan payments	(2)	0
12.B. Adjustment to reflect 12 months of premiums related to MVP Select Stop Loss	(2)	0
12.C. Adjustment to reflect 12 months of premiums related to MVP Select Medical	(12)	5
12.D. Adjustment to reflect 12 months of premiums related to Long-Term Disability	2	(1)
Total Adjustment	<u>(14)</u>	<u>4</u>
13.A. Adjustment to remove Johnson Building rental agreement	78	(31)
13.B. Adjustment to reflect change in allocation method related to Route 6 Development	7	(3)
Total Adjustment	<u>85</u>	<u>(34)</u>
14.A. Adjustment to reclassify Uncollectibles collected via Gas Supply Charge	1,075	(426)
14.B. Adjustment to increase expense to a level equal to actual write-offs of applicable revenues	250	(99)
Total Adjustment	<u>1,325</u>	<u>(525)</u>
15. Adjustment to reclassify Software Amortization as Depreciation	103	(41)
16. Adjustment to remove credits received for one-time refunds related to charges incurred during 2007.	(7)	3
17.A. Adjustment to reflect a four-year average related to the payment of damage claims	116	(46)
17.B. Adjustment to reflect a four-year average related to miscellaneous accident expense	(22)	9
17.C. Adjustment to reflect a four-year average related to the payment of workers compensation claims	(33)	13
Total Adjustment	<u>61</u>	<u>(24)</u>
18. Adjustment to reclassify Powerful Opportunities Program Lost Revenues as expense	(4)	2
19. Adjustment to reclassify to Own Territory Revenues	83	(33)
20. Adjustment to reflect Informational & Institutional Advertising @ .07% of Operating Revenues including commodity	(41)	16
21.A. Adjustment to reclassify Revenue Taxes related to Gas Supply Charge	727	(288)
21.B. Adjustment to reclassify Revenue Taxes related to Interruptible Revenues	38	(15)
Total Adjustment	<u>765</u>	<u>(303)</u>
22. Adjustment to remove audit adjustments reflected in historic year	16	(6)
23. Adjustment to reclassify Accretion expense as non-operating for ratemaking purposes	2	(2)
24. Adjustment to reclassify Software Amortization as Depreciation	<u>(103)</u>	<u>41</u>
Subtotal	(2,459)	974
25. Federal & State Income Tax Adjustment	<u>974</u>	
Total Adjustment to Operating Income	<u>(1,485)</u>	

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

GAS OPERATIONS

RECONCILIATION OF HISTORICAL PERIOD

TWELVE MONTHS ENDED MARCH 31, 2008

(\$000)

Total Operating Expenses for the Year Ended March 31, 2008 per Exhibit____(AP-1), Schedule B, Sheet 1 of 4	<u>\$ 167,761</u>
Reclassification of Non-operating Items Allowed for Rate Purposes:	
Deferred Variable Rate Long-Term Debt Interest Under Collection	(144)
Amortization of Preferred Redemption Premium	14
Related Federal Income Tax Adjustment on Above	50
Related State Income Tax Adjustment on Above	<u>7</u>
Subtotal	<u>(73)</u>
Total Operating Revenue Deductions for the Year Ended March 31, 2008, Exhibit____(RRP-2), Schedule A, Per Books	<u>\$ 167,688</u>

Central Hudson Gas & Electric Corporation
Gas Operations Income Statement
and Rate of Return for Periods Indicated
(\$000)

Rate Year - Twelve Months Ending June 30, 2010

	Before Proposed Rate Moderation & Rate Change	Rate Increase Before Moderators	Rate Year Before Rate Moderators	Effect of Rate Moderation	With Moderation & Before Proposed Rate Change	Impact of Proposed Rate Change	Rate Year at Proposed Rates
Operating Revenues							
Own Territory Delivery Revenues	\$52,263	\$14,425	\$66,688	\$0	\$52,263	\$14,747	\$67,010
GSC Revenues	0		0	0	0		0
Subtotal - Own Territory Revenues	52,263	14,425	66,688	0	52,263	14,747	67,010
Resale Revenues	0		0	0	0		0
Interruptible & Sales to Generators	1,000		1,000	0	1,000		1,000
Other Operating Revenues	1,063		1,063	0	1,063		1,063
Total Operating Revenues	54,326	14,425	68,751	0	54,326	14,747	69,073
Operating Expenses							
Purchased Natural Gas	0		0	0	0		0
Liquified Petroleum Gas	0		0	0	0		0
Labor	11,151		11,151	0	11,151		11,151
Research and Development	359		359	0	359		359
Expenses Projected Based on Inflation	3,170		3,170	0	3,170		3,170
Miscellaneous General Expenses	577		577	0	577		577
Transportation - Depreciation	347		347	0	347		347
Transportation - Fuel	284		284	0	284		284
Fringe Benefits	1,368		1,368	0	1,368		1,368
Other Post Employee Benefits (OPEB)	835		835	0	835		835
Pension Plan	1,903		1,903	0	1,903		1,903
Environmental	80		80	0	80		80
Contract Rents	131		131	0	131		131
Uncollectible Accounts	614	163	777	0	614	167	781
Regulatory Commission Expenses	466		466	0	466		466
Information Technology Expense	358		358	0	358		358
Other Operating Insurance	189		189	0	189		189
Telephone	289		289	0	289		289
Legal Services	990		990	0	990		990
Special Services	356		356	0	356		356
Injuries and Damages	417		417	0	417		417
Enhanced Powerful Opportunities Program	198		198	0	198		198
Expenses Allocated to Affiliates	(119)		(119)	0	(119)		(119)
CBA - Economic Development	0		0	0	0		0
MGP Remediation Cost Recovery	1,165		1,165	0	1,165		1,165
Informational & Institutional Advertising	128	10	138	0	128	10	138
Bill Print & Mail to Customer	106		106	0	106		106
Excess Cost of Removal	251		251	0	251		251
Gas Leak Repairs - Distribution Main	1,635		1,635	0	1,635		1,635
Energy Efficiency Program	0		0	0	0		0
Economic Development	38		38	0	38		38
Competition Education Program	53		53	0	53		53
Recovery of Net Regulatory Assets	4,205		4,205	0	4,205		4,205
Total Operating Expenses	31,544	173	31,717	0	31,544	177	31,721
Other Deductions							
Variable Rate Debt Interest Overcollection	0		0	0	0		0
Amort of Preferred Redemption Premium	0		0	0	0		0
Property Taxes	5,596		5,596	0	5,596		5,596
Revenue Taxes	956	429	1,385	0	956	439	1,395
Payroll Taxes	784		784	0	784		784
Other Taxes	282		282	0	282		282
Accretion	0		0	0	0		0
Depreciation	7,289		7,289	0	7,289		7,289
Total Other Deductions	14,907	429	15,336	0	14,907	439	15,346
Federal Income Taxes	1,892	4,495	6,387	(25)	1,867	4,595	6,462
State Income Taxes	274	981	1,255	(5)	269	1,003	1,272
Total Income Taxes	2,166	5,476	7,642	(30)	2,136	5,598	7,734
Total Operating Revenue Deductions	48,617	6,078	54,695	(30)	48,587	6,214	54,801
Operating Income	5,709	8,347	14,056	30	5,739	8,533	14,272
Rate Base	180,067		180,067	2,769	182,836		182,836
Rate of Return	3.17%		7.81%		3.14%		7.81%

GAS OPERATING EXPENSESDETAILS BY COMPONENT

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
<u>Purchased Natural Gas</u>						
Production	120,169	(120,169)	0	0	0	0
<u>Liquefied Petroleum Gas</u>						
Production	34	(34)	0	0	0	0
<u>Direct Labor</u>						
Production	317	0	317	317	325	341
Transmission	603	0	603	604	618	649
Distribution	4,833	(1)	4,832	4,841	4,950	5,197
Customer Accounts	1,319	(1)	1,318	1,321	1,351	1,418
Customer Services	203	0	203	203	208	218
Administrative & General	3,095	0	3,095	3,101	3,170	3,328
Total	10,370	(2)	10,368	10,387	10,622	11,151
<u>Research & Development</u>						
Transmission	0	0	0	30	60	60
Distribution	32	0	32	96	108	74
Customer Services	14	0	14	25	25	25
Administrative & General	294	(188)	106	62	181	200
Total	340	(188)	152	213	374	359
<u>Expenses Projected Based on Inflation</u>						
Production	42	0	42	43	44	44
Transmission	499	0	499	507	519	524
Distribution	1,214	249	1,463	1,486	1,519	1,537
Customer Accounts	291	0	291	296	302	307
Customer Services	149	0	149	151	154	156
Sales Promotion	0	0	0	0	0	0
Administrative & General	574	0	574	585	599	602
Total	2,769	249	3,018	3,068	3,137	3,170
Direct Invoices	2,114	0	2,114	2,149	2,197	2,221
Miscellaneous Expenses	(116)	0	(116)	(118)	(120)	(122)
Office Supplies and Expenses	447	0	447	455	465	470
Transportation All Other	181	0	181	185	189	191
Materials & Supplies	443	0	443	451	461	466
Postage	174	0	174	176	180	182
Stores Handling Expenses	11	0	11	11	11	11
Miscellaneous Rents	33	0	33	33	34	34
Meter Installations (Credit)	(518)	249	(269)	(274)	(280)	(283)
Total	2,769	249	3,018	3,068	3,137	3,170
<u>Miscellaneous General Expenses</u>						
Administrative & General	485	20	505	560	570	577
Industry Association Dues	38	0	38	38	39	40
Publishing & Distributing Financial Information	97	0	97	99	101	102
PCB & Notes - Administrative Costs	45	20	65	69	73	79
Pollution Control Fees & Services	74	0	74	67	66	63
HSBC Bank Fees	0	0	0	40	40	40
Revolving Credit Agreement	18	0	18	29	29	28
Other General Expenses	213	0	213	218	222	225
Total	485	20	505	560	570	577

GAS OPERATING EXPENSESDETAILS BY COMPONENT

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
Transportation Depreciation						
Production	2	0	2	2	2	2
Transmission	8	0	8	8	8	9
Distribution	244	0	244	244	244	247
Customer Accounts	33	0	33	33	33	33
Customer Services	41	0	41	41	41	41
Administrative & General	15	0	15	14	15	15
Total	343	0	343	342	343	347
Transportation Fuel						
Production	1	0	1	1	1	2
Transmission	4	1	5	6	7	7
Distribution	123	34	157	170	191	202
Customer Accounts	16	5	21	23	26	27
Customer Services	20	6	26	29	32	34
Administrative & General	7	2	9	10	11	12
Total	171	48	219	239	268	284
Fringe Benefits						
Administrative & General	1,199	14	1,213	1,241	1,309	1,368
Medical Insurance	863	14	877	895	951	1,000
Group Life Insurance	27	0	27	27	28	29
Savings Incentive Plan	219	0	219	227	237	244
Other	90	0	90	92	93	95
Total	1,199	14	1,213	1,241	1,309	1,368
Other Post Employment Ben (OPEB - FAS 106)						
Administrative & General	1,728	0	1,728	1,675	1,373	835
Pension Plan (FAS 87)						
Administrative & General	2,146	0	2,146	2,080	1,960	1,903
Environmental Expense						
Transmission	2	0	2	2	2	2
Distribution	10	0	10	20	20	21
Administrative & General	26	0	26	44	57	57
Total	38	0	38	66	79	80
Outside Services	0	0	0	3	3	4
Environmental Services	12	0	12	23	23	23
Environmental - Other Expenses	19	0	19	37	38	38
Sustainability Report / Climate Change Assessment	0	0	0	0	10	10
NY Industry Environmental Committee	3	0	3	3	3	3
Regulatory Permit Fees	4	0	4	0	2	2
Total	38	0	38	66	79	80
Contract Rents						
Transmission	94	0	94	94	95	96
Distribution	111	(85)	26	28	29	30
Administrative & General	5	0	5	6	6	5
Total	210	(85)	125	128	130	131
New York City - DEP	50	0	50	52	54	55
West Point - Highland Falls	62	0	62	62	62	62
Other Space Rentals & Easements	98	(85)	13	14	14	14
Total	210	(85)	125	128	130	131

GAS OPERATING EXPENSES**DETAILS BY COMPONENT**

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
Uncollectible Accounts						
Customer Accounts	2,010	(1,325)	685	615	609	614
Regulatory Commission Expenses						
Administrative & General	396	0	396	413	445	466
N.Y.S. Public Service Commission Assessment	396	0	396	413	445	466
Information Technology Expense						
Production	4	0	4	14	19	19
Distribution	0	0	0	0	0	0
Customer Accounts	272	0	272	257	292	339
Administrative & General	103	(103)	0	0	0	0
Total	379	(103)	276	271	311	358
Hardware & Software - O & M	272	0	272	257	292	339
Amortization of Computer Software	103	(103)	0	0	0	0
EMS - Operation & Maintenance	4	0	4	14	19	19
Miscellaneous Data Processing Expense	0	0	0	0	0	0
Total	379	(103)	276	271	311	358
Other Operating Insurance						
Administrative & General	206	0	206	186	187	189
Directors & Officers Liability Insurance	123	0	123	120	120	122
All Risk Property Insurance	47	0	47	38	39	39
Brokerage Fees	18	0	18	9	9	9
Miscellaneous Other Insurance	18	0	18	19	19	19
Total	206	0	206	186	187	189
Telephone						
Transmission	25	0	25	25	26	26
Distribution	196	0	196	199	204	206
Customer Accounts	3	0	3	3	3	3
Customer Services	1	0	1	1	1	1
Administrative & General	43	7	50	52	52	53
Total	268	7	275	280	286	289
Base & Toll Charges	102	3	105	107	109	110
Leased Lines	98	4	102	104	107	108
Wireless	62	0	62	63	64	65
Directory Advertising	6	0	6	6	6	6
Total	268	7	275	280	286	289
Legal Services						
Administrative & General	942	0	942	958	979	990
Thompson Hine	285	0	285	290	296	300
Hiscock & Barclay	26	0	26	26	27	27
Holland & Knight	364	0	364	371	379	383
Winston & Strawn	81	0	81	82	84	85
Rizzo & Kelley	61	0	61	62	64	64
McCabe & Mack	55	0	55	56	57	58
Miscellaneous Legal Services < \$50k	70	0	70	71	72	73
Total	942	0	942	958	979	990

GAS OPERATING EXPENSES**DETAILS BY COMPONENT**

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
Special Services						
Administrative & General	332	0	332	337	345	356
Price Waterhouse Coopers	113	0	113	115	118	127
Alberta Northeast Gas Limited	129	0	129	131	134	136
Hay Group	35	0	35	36	37	37
Lazard Freres	17	0	17	17	18	18
Miscellaneous Consultants < \$15k	38	0	38	38	38	38
Total	332	0	332	337	345	356
Injuries and Damages						
Administrative & General	447	(61)	386	393	408	417
Worker's Compensation Insurance	99	33	132	132	135	137
Excess Liability Insurance	139	0	139	145	155	161
Personal and Property Damage Claims	178	(116)	62	63	64	65
Brokerage Fees	11	0	11	10	10	10
Accident and Safety Activities	20	22	42	43	44	44
Total	447	(61)	386	393	408	417
Enhanced Powerful Opportunities Program						
Customer Services	33	0	33	99	169	198
Administrative & General	155	4	159	113	28	0
Total	188	4	192	212	197	198
Outside Services	1	0	1	3	3	3
Deferred Expense	155	0	155	113	28	0
Incentive Payment	6	0	6	33	57	69
Internal Labor	12	0	12	12	24	25
Outreach	2	0	2	2	3	3
Discounted Budget Billing Credit	8	0	8	44	76	92
Lost Revenues	0	4	4	0	0	0
Miscellaneous Expenses	4	0	4	5	6	6
Total	188	4	192	212	197	198
Expenses Allocated to Affiliates						
Administrative & General	(113)	0	(113)	(115)	(118)	(119)
CBA Fund - Economic Development						
Customer Services	83	(83)	0	0	0	0
MGP Remediation Cost Recovery						
Administrative & General	188	0	188	250	707	1,165
Informational & Institutional Advertising						
Customer Services	43	41	84	75	80	85
Sales Promotion	22	0	22	39	41	43
Total	65	41	106	114	121	128

GAS OPERATING EXPENSES**DETAILS BY COMPONENT**

(\$000)

Expense Component & Detail	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
Bill Print & Mail to Customer						
Customer Services	95	0	95	99	104	106
Excess Cost of Removal						
Distribution	232	0	232	235	244	251
Gas Leak Repairs - Distribution Main						
Distribution	831	0	831	849	1,319	1,635
Energy Efficiency Program						
Customer Services	2	0	2	0	0	0
Administrative & General	17	0	17	0	0	0
Total	19	0	19	0	0	0
General Office Expense	2	0	2	0	0	0
Labor	17	0	17	0	0	0
Total	19	0	19	0	0	0
Economic Development						
Customer Services	0	0	0	0	19	38
Competition Education Program						
Administrative & General	53	0	53	53	53	53
Recovery of Net Regulatory Assets						
Administrative & General	3,231	0	3,231	4,299	4,526	4,405
Taxes Other Than Income Taxes						
Revenue Taxes	1,255	(765)	490	796	948	956
Property Taxes	5,381	0	5,381	5,586	5,614	5,596
Payroll Taxes	739	0	739	724	770	784
Other Taxes	242	(16)	226	243	268	282
Total	7,617	(781)	6,836	7,349	7,600	7,618

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

GAS PROPERTY TAXES

(\$000)

	<u>Twelve Months Ended March 31, 2008</u>	<u>Year Ending December 31, 2008</u>	<u>Year Ending December 31, 2009</u>	<u>Rate Year Twelve Months Ending June 30, 2010</u>
<u>School Taxes</u>				
Real Estate - School	\$1,700	\$1,724	\$1,763	\$1,782
Special Franchise - School	1,434	1,552	1,672	1,691
Total School Taxes	\$3,134	\$3,276	\$3,435	\$3,473
<u>Town, County & City Taxes</u>				
Real Estate - Town, County & City	\$884	\$894	\$914	\$924
Special Franchise - T,C & C	923	927	1,060	1,071
Total Town, County & City Taxes	\$1,807	\$1,821	\$1,974	\$1,995
<u>Village Taxes</u>				
Real Estate - Village	\$27	\$28	\$28	\$29
Special Franchise - Village	83	77	89	99
Total Village Taxes	\$110	\$105	\$117	\$128
Total Property Taxes	\$5,051	\$5,202	\$5,526	\$5,596
<u>Totals</u>				
Total Real Estate	\$2,611	\$2,646	\$2,705	\$2,735
Total Special Franchise	\$2,440	\$2,556	\$2,821	\$2,861
Subtotal Property Taxes	\$5,051	\$5,202	\$5,526	\$5,596
Deferral for Customer @ 90%	\$330	\$384	\$88	-
Total Property Taxes (w/ deferral)	\$5,381	\$5,586	\$5,614	\$5,596

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

DIRECT LABOR

Year Ended March 31, 2008

Year Ending December 31, 2008

Year Ending December 31, 2009

Rate Year - Twelve Months Ending June 30, 2010

Schedule A - Electric Expense

Schedule B - Gas Expense

Schedule C - Details by Employee Classification

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

DIRECT LABOR

ELECTRIC EXPENSE

Item	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
Amount from Allocation - Schedule C	\$45,023	(\$7)	\$45,016	\$45,112	\$46,133	\$48,429
Less: Labor Included in Other Components:						
Research & Development	152	n/a	152	153	157	165
Storm Expense	2,386	n/a	2,386	2,391	2,445	2,567
Energy Efficiency Program	102	n/a	102	104	106	111
Enhanced P.O.P.	68	n/a	68	68	69	73
Transformer Installations (Credit)	(878)	n/a	(878)	(880)	(900)	(944)
Meter Installations (Credit)	(295)	n/a	(295)	(298)	(304)	(320)
Total	<u>\$43,488</u>	<u>(\$7)</u>	<u>\$43,481</u>	<u>\$43,574</u>	<u>\$44,560</u>	<u>\$46,777</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

DIRECT LABOR

GAS EXPENSE

Item	Year Ended March 31, 2008			Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted		
Amount from Allocation - Schedule C	\$10,124	(\$2)	\$10,122	\$10,371	\$10,887
Less: Labor Included in Other Components:					
Research & Development	11	n/a	11	11	12
Energy Efficiency Program	17	n/a	17	19	18
Enhanced P.O.P.	12	n/a	12	12	13
Excess Cost of Removal	232	n/a	232	237	249
Meter Installations (Credit)	(518)	n/a	(518)	(530)	(556)
Total	\$10,370	(\$2)	\$10,368	\$10,622	\$11,151

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

TOTAL DIRECT LABOR

DETAILS BY COMPONENT

(\$000)

Item	Year Ended March 31, 2008			Year Ending December 31, 2008	Year Ending December 31, 2009	Rate Year Twelve Months Ending June 30, 2010
	Per Books	Normalization Adjustment	As Adjusted			
Labor by Classification:						
Local 320	\$44,705	(\$7)	\$44,698	\$45,296	\$46,881	\$47,732
Foremen	3,620	(1)	3,619	3,619	3,725	3,789
Management (Non Executive)	24,000	(3)	23,997	23,522	24,209	24,630
Officers	4,560	(1)	4,559	4,562	4,722	4,804
Subtotal - 820 Permanent Employees	76,885	(12)	76,873	76,999	79,537	80,955
Plus: 26 Incremental Employees	0	0	0	0	0	2,545
Subtotal - 846 Permanent Employees	76,885	(12)	76,873	76,999	79,537	83,500
Temporary Employees	139	n/a	139	182	187	192
Subtotal - Unadjusted Labor	77,024	(12)	77,012	77,181	79,724	83,692
Productivity Adjustment @ 1%	n/a	n/a	n/a	0	(797)	(837)
Adjusted Total Labor	\$77,024	(\$12)	\$77,012	\$77,181	\$78,927	\$82,855
Allocation of Total Labor						
Electric Expense	58.45%	(\$7)	\$45,016	\$45,112	\$46,133	\$48,429
Gas Expense	13.14%	(2)	10,122	10,142	10,371	10,887
Construction	26.08%	(3)	20,082	20,128	20,584	21,609
Allocation to Affiliates	2.27%	0	1,749	1,752	1,792	1,881
Disability Benefits	0.05%	0	37	39	39	41
Income Deductions	0.01%	0	6	8	8	8
Total	100.00%	(\$12)	\$77,012	\$77,181	\$78,927	\$82,855

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

SCHEDULE OF INSURANCE COSTS

Year Ended March 31, 2008

Year Ending December 31, 2008

Year Ending December 31, 2009

Rate Year - Twelve Months Ending June 30, 2010

CENTRAL HUDSON GAS & ELECTRIC CORPORATION**SCHEDULE OF INSURANCE COSTS****(\$000)**

	<u>Twelve Months Ended March 31, 2008</u>	<u>Year Ending December 31, 2008</u>	<u>Year Ending December 31, 2009</u>	<u>Rate Year Twelve Months Ending June 30, 2010</u>
<u>PROPERTY</u>				
All Risk	<u>\$431</u>	<u>\$427</u>	<u>\$433</u>	<u>\$438</u>
<u>LIABILITY</u>				
Excess Liability Including Excise Tax	\$949	\$968	\$1,031	\$1,076
Director's & Officers Including Excise Tax	820	800	798	809
Brokerage Fees	190	122	125	126
Pension Trust	50	47	46	46
Employment Practices Liability	43	48	52	52
Crime	19	18	17	17
Employed Lawyers	8	9	9	10
Advertisers Liability	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total Liability	<u>\$2,082</u>	<u>\$2,015</u>	<u>\$2,081</u>	<u>\$2,139</u>
TOTAL CHG&E INSURANCE COSTS	<u>\$2,513</u>	<u>\$2,442</u>	<u>\$2,514</u>	<u>\$2,577</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

Twelve Months Ending March 31, 2008

Schedule A	-	Summary
Schedule B	-	Deferred Charges
Schedule C	-	Deferred Federal Taxes
Schedule D	-	Deferred State Taxes
Schedule E	-	Working Capital
Schedule F	-	Capitalization
Schedule G	-	Corporate Earnings Base
Schedule H	-	Earnings Base – Capitalization Adjustment to Rate Base

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE SUMMARY
(\$000)

	Twelve-Month Average for the Period Ended March 31, 2008		
	Electric	Gas	Corporate
Book Cost of Utility Plant	\$894,419	\$262,698	\$1,157,117
Less: Accumulated Provision for Depreciation and Amortization	(304,823)	(96,212)	(401,035)
Net Plant	589,596	166,486	756,082
Noninterest-Bearing Construction Work in Progress	36,469	7,981	44,450
Preliminary Survey & Investigation	209	37	246
Customer Advances for Undergrounding	(1,295)	(1)	(1,296)
Deferred Charges	(36,482)	4,380	(32,102)
Accumulated Deferred Federal Taxes	(76,857)	(26,977)	(103,834)
Accumulated Deferred State Taxes	(1,285)	(591)	(1,876)
Working Capital	32,742	7,392	40,134
Unadjusted Rate Base	543,097	158,707	701,804
Capitalization Adjustment to Rate Base	6,759	2,135	8,894
Rate Base	\$549,856	\$160,842	\$710,698

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - DEFERRED CHARGES
(\$000)

	Twelve-Month Average for the Period Ended March 31, 2008		
	Electric	Gas	Corporate
Research & Development Costs	(\$126)	\$13	(\$113)
MTA Tax	700	168	868
Unamortized Debt Expense	3,222	1,020	4,242
Unamortized Discount Long-Term Debt	45	14	59
Adjustable Rate PCB Notes	456	125	581
Software Purchases	698	155	853
NMP-2 Settlement Agreement Costs	(6)	0	(6)
Deferred Revenues - Attachment Rents	(447)	0	(447)
Service Quality Penalty	(837)	0	(837)
Executive Deferred Compensation Plan	1,987	351	2,338
Carrying Charge on Asbestos Litigation	65	0	65
Unamortized Loss on Reacquired Debt	4,694	1,486	6,180
Carrying Charge on Deferred NYS Taxes - Tax Law Change	(28)	(35)	(63)
AMR Meters - Interruptible SC #8 & #9 (Case 04-G-0463)	0	225	225
Preferred Stock Costs & Redemption Premium	1,377	436	1,813
Survivor Programs of Customer Benefit Fund	(5,075)	0	(5,075)
Competition Education Program	(260)	(51)	(311)
Carrying Charge on Enhanced Powerful Opportunities Program	(40)	(7)	(47)
Carrying Charge on MGP SIR Costs & Recoveries	(156)	(28)	(184)
Carrying Charge on Interest Bearing Gas Deferred Balance	0	482	482
Carrying Charge on Gas Balancing Software Costs	0	28	28
Stray Voltage Testing	(792)	0	(792)
Excess Depreciation Reserve	(41,911)	0	(41,911)
Gain on Sale of Beacon Parcel	(16)	0	(16)
Carrying Charge on Property Taxes	(8)	(2)	(10)
Carrying Charge on Shared Earnings (Case 05-E-0934 RY#1)	(19)	0	(19)
Carrying Charge on Groverville Sale	(5)	0	(5)
Total Deferred Charges	(\$36,482)	\$4,380	(\$32,102)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - DEFERRED FEDERAL TAXES
(\$000)

Twelve-Month Average for the
Period Ended March 31, 2008

	Electric	Gas	Corporate
Research & Development Costs	\$44	(\$4)	\$40
Investment Tax Credit	(1,637)	(351)	(1,988)
Contributions in Aid of Construction	2,363	1,519	3,882
Unbilled Revenues	7,093	4,177	11,270
Construction Overheads	(811)	0	(811)
MTA Tax	(245)	(59)	(304)
Deferred Avoided Cost of Interest Capitalized	1,076	285	1,361
Bonds Redeemed	(1,009)	(319)	(1,328)
Cost of Removal	(2,092)	(315)	(2,407)
Repair Allowance	(10,580)	0	(10,580)
Normalized Depreciation	(90,947)	(31,736)	(122,683)
ACRS Method Change	(42)	(12)	(54)
Adjustable Rate PCB Notes	(159)	(44)	(203)
NMP-2 Settlement Agreement Costs	2	0	2
Deferred Revenues - Attachment Rents	157	0	157
Service Quality Penalty	293	0	293
Carrying Charge on Asbestos Litigation	(23)	0	(23)
Carrying Charge on Deferred NYS Taxes - Tax Law Change	10	12	22
Use of Customer Benefit Account - Capital Reliability Program	1,593	0	1,593
MACRS - Capital Reliability Program	1,194	0	1,194
Statutory Rate Adjustment	(38)	(7)	(45)
AMR Meters - Interruptible SC #8 & #9 (Case 04-G-0463)	0	(79)	(79)
Survivor Programs of Customer Benefit Fund	1,776	0	1,776
Competition Education Program	91	18	109
Carrying Charge on Enhanced Powerful Opportunities Program	14	2	16
Carrying Charge on MGP SIR Costs & Recoveries	55	10	65
Carrying Charge on Interest Bearing Gas Deferred Balance	0	(169)	(169)
Carrying Charge on Gas Balancing Software Costs	0	(10)	(10)
Gas Balancing Software - Tax Depreciation	0	104	104
Stray Voltage Testing	278	0	278
Excess Depreciation Reserve	14,669	0	14,669
Gain on Sale of Beacon Parcel	6	0	6
Carrying Charge on Property Taxes	3	1	4
Carrying Charge on Shared Earnings (Case 05-E-0934 RY#1)	7	0	7
Carrying Charge on Groverville Sale	2	0	2
Total Deferred Federal Taxes	(\$76,857)	(\$26,977)	(\$103,834)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - DEFERRED STATE TAXES
(\$000)

	Twelve-Month Average for the Period Ended March 31, 2008		
	Electric	Gas	Corporate
Research & Development Costs	\$6	(\$1)	\$5
Contributions in Aid of Construction	181	176	357
Unbilled Revenues	379	314	693
MTA Tax	(4)	1	(3)
Deferred Avoided Cost of Interest Capitalized	53	13	66
Bonds Redeemed	(100)	(32)	(132)
Cost of Removal	(287)	(42)	(329)
Repair Allowance	(820)	0	(820)
Normalized Depreciation	(3,436)	(999)	(4,435)
Adjustable Rate PCB Notes	(21)	(6)	(27)
Deferred Revenues - Attachment Rents	21	0	21
Service Quality Penalty	39	0	39
Carrying Charge on Asbestos Litigation	(3)	0	(3)
Carrying Charge on Deferred NYS Taxes - Tax Law Change	1	2	3
Use of Customer Benefit Account - Capital Reliability Program	222	0	222
MACRS - Capital Reliability Program	234	0	234
AMR Meters - Interruptible SC #8 & #9 (Case 04-G-0463)	0	(10)	(10)
Survivor Programs of Customer Benefit Fund	237	0	237
Competition Education Program	12	2	14
Carrying Charge on Enhanced Powerful Opportunities Program	2	0	2
Carrying Charge on MGP SIR Costs & Recoveries	8	1	9
Carrying Charge on Interest Bearing Gas Deferred Balance	0	(22)	(22)
Carrying Charge on Gas Balancing Software Costs	0	(2)	(2)
Gas Balancing Software - Tax Depreciation	0	14	14
Stray Voltage Testing	37	0	37
Excess Depreciation Reserve	1,951	0	1,951
Gain on Sale of Beacon Parcel	1	0	1
Carrying Charge on Property Taxes	1	0	1
Carrying Charge on Shared Earnings (Case 05-E-0934 RY#1)	1	0	1
Total Deferred State Taxes	(\$1,285)	(\$591)	(\$1,876)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - WORKING CAPITAL
(\$000)

DESCRIPTION	Twelve-Month Average for the Period Ended March 31, 2008		
	Electric	Gas	Corporate
Other Materials and Supplies	\$5,815	\$1,171	\$6,986
<u>Prepayments:</u>			
Prepaid Property Taxes	5,627	1,496	7,123
Prepaid Insurance	1,029	182	1,211
Other Prepayments	1,724	304	2,028
Total Prepayment Working Capital	8,380	1,982	10,362
O & M Cash Working Capital	18,547	4,239	22,786
Total Working Capital	\$32,742	\$7,392	\$40,134

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - CAPITALIZATION
(\$000)

Twelve-Month Average for the
Period Ended March 31, 2008

Long Term Debt	\$388,825
Short Term Debt	34,125
Customer Deposits	7,971
Preferred Stock	21,027
Preferred Stock Dividends Declared but not Paid	121
Common Stock	195,422
Premium on Capital Stock	63,869
Capital Stock Expense	(4,961)
Unappropriated Retained Earnings	<u>88,770</u>
Total Capitalization per Books	<u><u>\$795,169</u></u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - CORPORATE EARNINGS BASE
(\$000)

Twelve-Month Average for the
Period Ended March 31, 2008

	Electric	Gas	Corporate
Unadjusted Rate Base	\$543,097	\$158,707	\$701,804
Interest Bearing CWIP	18,557	1,348	19,905
Deferred NY State Taxes - Tax Law Change	467	(379)	88
Asbestos Litigation	509	0	509
Enhanced Powerful Opportunities Program	(631)	(108)	(739)
Gas Deferred Balance - Interest Bearing	0	3,802	3,802
Gas Deferred Balance - Non-Interest Bearing	0	13,733	13,733
Gas Balancing Software Costs	0	300	300
MGP SIR Costs & Recoveries	213	38	251
Deferred Shared Earnings - Case 05-E-0934 RY#1	(699)	0	(699)
Gain on Sale of Grovesville Mills	(168)	0	(168)
Deferred Property Taxes	(331)	(73)	(404)
Deferred Lost Net Revenues - PV Net Metering	2	0	2
Deferred NMP-2 Settlement Agreement Costs	(112)	0	(112)
Deferred Pension Carrying Charge Base	27,376	2,697	30,073
Deferred OPEB Carrying Charge Base	(18,707)	(3,612)	(22,319)
Total Unadjusted Earnings Base	\$569,573	\$176,453	\$746,026
Allocation	76%	24%	100%
Earnings Base/Capitalization Adjustment	\$6,759	\$2,135	\$8,894
Earnings Base	\$576,332	\$178,588	\$754,920

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE
EARNINGS BASE - CAPITALIZATION ADJUSTMENT TO RATE BASE
(\$000)

Twelve-Month Average for the
Period Ended March 31, 2008

Total Unadjusted Earnings Base (Schedule G)		\$746,026
Total Capitalization per Books (Schedule F)	\$795,169	
Adjustments to Capitalization:		
Deferred Gas Costs	(5,317)	
Working Capital - Material & Supplies Inventory	(16,661)	
Non-Utility Property	(410)	
Deferred Long Term Gas R&D/GRI Costs	46	
Investment in Subsidiary Companies	(93)	
Temporary Cash Investments	0	
Catskill Gas Settlement	(182)	
Deferred Electric Fuel Costs	(11,649)	
Working Capital - Prepayment to NYISO	(3,147)	
Daily Average vs Twelve Month Average:		
Short-Term Debt	(2,542)	
Preferred Stock	(1)	
Common Stock	0	
Long Term Debt	(293)	
Total Capitalization as Adjusted		754,920
Capitalization Adjustment to Rate Base		8,894

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

RATE BASE

Years Ending December 31, 2008, December 31, 2009 and

Rate Year - Twelve Months Ending June 30, 2010

Schedule A	-	Summary
Schedule B	-	Deferred Charges
Schedule C	-	Deferred Federal Taxes
Schedule D	-	Deferred State Taxes
Schedule E	-	Working Capital

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE SUMMARY - BRIDGE PERIODS AND RATE YEAR
(\$000)

	Twelve-Month Average for the Period Ended December 31, 2008			Twelve-Month Average for the Period Ended December 31, 2009			Twelve-Month Average for the Period Ended June 30, 2010		
	Electric	Gas	Corporate	Electric	Gas	Corporate	Electric	Gas	Corporate
Book Cost of Utility Plant	\$935,064	\$275,401	\$1,210,465	\$996,606	\$289,116	\$1,285,722	\$1,030,205	\$297,906	\$1,328,111
Less: Accumulated Provision for Depreciation and Amortization	(313,526)	(98,414)	(411,940)	(327,676)	(102,733)	(430,409)	(334,891)	(105,252)	(440,143)
Net Plant	621,538	176,987	798,525	668,930	186,383	855,313	695,314	192,654	887,968
Noninterest-Bearing Construction Work in Progress	27,621	6,941	34,562	34,731	9,071	43,802	34,336	9,114	43,450
Preliminary Survey & Investigation	0	0	0	0	0	0	0	0	0
Customer Advances for Undergrounding	(1,404)	(1)	(1,405)	(1,434)	(1)	(1,435)	(1,434)	(1)	(1,435)
Deferred Charges	(25,678)	4,649	(21,029)	(8,037)	3,813	(4,224)	10,268	2,956	13,224
Accumulated Deferred Federal Taxes	(82,793)	(28,563)	(111,356)	(98,243)	(32,204)	(130,447)	(108,888)	(33,401)	(142,289)
Accumulated Deferred State Taxes	(3,141)	(744)	(3,885)	(5,148)	(1,196)	(6,344)	(5,760)	(1,357)	(7,117)
Working Capital	32,980	7,416	40,396	33,908	7,763	41,671	34,858	7,967	42,825
Unadjusted Rate Base	569,123	166,685	735,808	624,707	173,629	798,336	658,694	177,932	836,626
Capitalization Adjustment to Rate Base	6,759	2,135	8,894	6,759	2,135	8,894	6,759	2,135	8,894
Rate Base	\$575,882	\$168,820	\$744,702	\$631,466	\$175,764	\$807,230	\$665,453	\$180,067	\$845,520

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - DEFERRED CHARGES (BRIDGE PERIODS AND RATE YEAR)
(\$'000)

	Twelve-Month Average for the Period Ended December 31, 2008			Twelve-Month Average for the Period Ended December 31, 2009			Twelve-Month Average for the Period Ended June 30, 2010		
	Electric	Gas	Corporate	Electric	Gas	Corporate	Electric	Gas	Corporate
Research & Development Costs									
MTA Tax	(\$103)	(\$18)	(\$121)	(\$41)	(\$14)	(\$55)	\$0	\$0	\$0
Unamortized Debt Expense	779	269	1,048	787	112	899	787	112	899
Unamortized Discount Long-Term Debt	3,158	997	4,155	2,907	918	3,825	2,867	905	3,772
Adjustable Rate PCB Notes	43	14	57	41	13	54	40	13	53
Software Purchases	853	232	1,085	497	135	632	0	0	0
Deferred Revenues - Attachment Rents	360	79	439	45	8	53	0	0	0
Service Quality Penalty	(450)	0	(450)	(450)	0	(450)	(450)	0	(450)
Executive Deferred Compensation Plan	(772)	0	(772)	(431)	0	(431)	0	0	0
Carrying Charge on Asbestos Litigation	2,045	361	2,406	2,079	367	2,446	2,096	370	2,466
Unamortized Loss on Required Debt	91	0	91	51	0	51	0	0	0
Carrying Charge on Deferred NYS Taxes	4,360	1,377	5,737	3,913	1,236	5,149	3,706	1,170	4,876
AMR Meters - Interruptible SC #8 & #9 (04-G-0463)	(36)	(53)	(88)	(23)	(38)	(62)	0	0	0
Preferred Stock Costs & Redemption Premium	0	279	279	0	162	162	0	0	0
Survivor Programs of CBA Fund	1,326	419	1,745	1,257	397	1,654	1,222	386	1,608
Competition Education Program	(1,823)	0	(1,823)	0	0	0	0	0	0
Carrying Charge on Powerful Opportunities Program	(390)	(77)	(467)	(225)	(44)	(269)	0	0	0
Carrying Charge on MGP SIR Costs & Recoveries	(101)	(17)	(118)	(103)	(18)	(121)	0	0	0
Carrying Charge on Interest Bearing Gas Balance	(101)	(18)	(119)	28	5	33	0	0	0
Carrying Charge on Gas Balancing Software Costs	0	753	753	0	544	544	0	0	0
Stray Voltage Testing	0	66	66	0	53	53	0	0	0
Excess Depreciation Reserve	(907)	0	(907)	(624)	0	(624)	0	0	0
Gain on Sale - Beacon Parcel	(33,838)	0	(33,838)	(17,551)	0	(17,551)	0	0	0
Carrying Charge on Property Taxes	(20)	0	(20)	(11)	0	(11)	0	0	0
Carrying Charge on Shared Earnings (05-E-0934)	(64)	(14)	(78)	(99)	(22)	(121)	0	0	0
Carrying Charge on Groveville Gain	(69)	0	(69)	(66)	0	(66)	0	0	0
Carrying Charge on PV Net Metering (07-E-0437)	(20)	0	(20)	(19)	0	(19)	0	0	0
	0	0	0	1	0	1	0	0	0
Total Deferred Charges	(\$25,678)	\$4,649	(\$21,029)	(\$8,037)	\$3,813	(\$4,223)	\$10,268	\$2,956	\$13,224

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - DEFERRED FEDERAL INCOME TAXES (BRIDGE PERIODS AND RATE YEAR)
(\$'000)

	Twelve-Month Average for the Period Ended December 31, 2008			Twelve-Month Average for the Period Ended December 31, 2009			Twelve-Month Average for the Period Ended June 30, 2010		
	Electric	Gas	Corporate	Electric	Gas	Corporate	Electric	Gas	Corporate
Research & Development	\$37	\$7	\$44	\$15	\$5	\$20	\$0	\$0	\$0
Investment Tax Credit	(1,429)	(308)	(1,737)	(1,166)	(248)	(1,414)	(1,046)	(219)	(1,265)
Contributions in Aid of Construction	3,087	1,501	4,588	3,839	1,467	5,306	3,989	1,450	5,439
Unbilled Revenue	9,144	4,956	14,100	9,144	4,956	14,100	9,144	4,956	14,100
Construction Overheads	(729)	0	(729)	(621)	0	(621)	(566)	0	(566)
MTA Tax	(272)	(94)	(366)	(276)	(39)	(315)	(276)	(39)	(315)
Deferred Avoided Cost Interest Capitalized	1,119	287	1,406	1,082	288	1,370	1,067	286	1,353
Deferred Revenues - Attachment Rents	157	0	157	157	0	157	157	0	157
Bonds Redeemed	(936)	(295)	(1,231)	(835)	(264)	(1,099)	(785)	(248)	(1,033)
Cost of Removal	(1,763)	(381)	(2,144)	(2,030)	(416)	(2,446)	(2,285)	(424)	(2,709)
Repair Allowance	(10,755)	0	(10,755)	(10,315)	0	(10,315)	(10,294)	0	(10,294)
Normalized Depreciation	(96,288)	(33,909)	(130,197)	(106,484)	(37,713)	(144,197)	(110,569)	(39,156)	(149,725)
Adjustable Rate PCB Notes	(96)	(26)	(122)	0	0	0	0	0	0
AMR Meters - Interruptible SC #8 & #9, (04-G-0463)	0	(98)	(98)	0	(58)	(58)	(18)	(7)	(25)
ACRS Method Change	(35)	(10)	(45)	(23)	(8)	(31)	0	0	0
Service Quality Penalty	270	0	270	150	0	150	0	0	0
Carrying Charge on Def NYS Taxes - Tax Law Change	13	19	32	8	14	22	0	0	0
Use of CBA - Capital Reliability Program	1,593	0	1,593	1,593	0	1,593	1,593	0	1,593
MACRS - Capital Reliability Program	1,124	0	1,124	1,040	0	1,040	1,001	0	1,001
Statutory Rate Adjustment	(71)	(13)	(84)	(39)	(7)	(46)	0	0	0
Carrying Charge on Deferred Asbestos Litigation Costs	(32)	0	(32)	(18)	0	(18)	0	0	0
Survivor Programs of CBA Fund	638	0	638	(39)	0	(39)	0	0	0
Competition Education Program - Over/Under Collection	137	26	163	79	15	94	0	0	0
Carrying Charge on Powerful Opportunities Program	36	6	42	36	6	42	0	0	0
Carrying Charge on MGP SIR Costs & Recoveries	35	6	41	(10)	(2)	(12)	0	0	0
Carrying Charge on Interest Bearing Deferred Balance	0	(264)	(264)	0	(191)	(191)	0	0	0
Carrying Charge on Gas Balancing Software Costs	0	(22)	(22)	0	(17)	(17)	0	0	0
Stray Voltage Testing	317	0	317	217	0	217	0	0	0
Excess Depreciation Reserve	11,844	0	11,844	6,143	0	6,143	0	0	0
Gain on Sale - Beacon Parcel	7	0	7	4	0	4	0	0	0
Gas Balancing Software - Tax Depreciation	0	44	44	0	0	0	0	0	0
Carrying Charge on Property Taxes	23	5	28	35	7	42	0	0	0
Carrying Charge on Shared Earnings (05-E-0934)	24	0	24	23	0	23	0	0	0
Carrying Charge on Grovesville Gain	8	0	8	9	0	9	0	0	0
Total Deferred Federal Taxes	(\$82,793)	(\$28,563)	(\$111,356)	(\$98,243)	(\$32,205)	(\$130,448)	(\$108,888)	(\$33,401)	(\$142,289)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - DEFERRED STATE INCOME TAXES (BRIDGE PERIODS AND RATE YEAR)
(\$000)

	Twelve-Month Average for the Period Ended December 31, 2008			Twelve-Month Average for the Period Ended December 31, 2009			Twelve-Month Average for the Period Ended June 30, 2010		
	Electric	Gas	Corporate	Electric	Gas	Corporate	Electric	Gas	Corporate
Normalized Depreciation	(\$4,147)	(\$1,244)	(\$5,391)	(\$5,532)	(\$1,706)	(\$7,238)	(\$6,098)	(\$1,877)	(\$7,975)
Research & Development	5	1	6	2	2	4	0	0	0
MTA Tax	(6)	0	(6)	(6)	0	(6)	(6)	0	(6)
Deferred Avoided Cost Interest Capitalized	67	14	81	70	16	86	71	17	88
Deferred Revenues - Attachment Rents	21	0	21	21	0	21	21	0	21
Bonds Redeemed	(95)	(30)	(125)	(87)	(28)	(115)	(84)	(27)	(111)
Cost of Removal	(246)	(51)	(297)	(270)	(56)	(326)	(302)	(56)	(358)
Repair Allowance	(868)	0	(868)	(842)	0	(842)	(855)	0	(855)
Contributions in Aid of Construction	283	175	458	397	172	569	422	171	593
Unbilled Revenue	648	415	1,063	648	415	1,063	648	415	1,063
Service Quality Penalty	36	0	36	20	0	20	0	0	0
Adjustable Rate PCB Notes	(40)	(11)	(51)	(25)	(7)	(32)	0	0	0
AMR Meters - Interruptible SC #8 & #9, (04-G-0463)	0	(13)	(13)	0	(7)	(7)	0	0	0
Carrying Chg on Def NYS Taxes - Tax Law Change	1	3	4	1	2	3	0	0	0
Use of CBA - Capital Reliability Program	222	0	222	222	0	222	222	0	222
MACRS - Capital Reliability Program	222	0	222	209	0	209	201	0	201
Carrying Charge on Deferred Asbestos Litigation Costs	(2)	0	(2)	0	0	0	0	0	0
Survivor Programs of CBA Fund	84	0	84	0	0	0	0	0	0
Competition Education Program - Over/Under Collection	18	4	22	10	2	12	0	0	0
Carrying Charge on Powerful Opportunities Program	5	0	5	5	1	6	0	0	0
Carrying Charge on MGP SIR Costs & Recoveries	4	1	5	(2)	0	(2)	0	0	0
Carrying Charge on Interest Bearing Deferred Balance	0	(11)	(11)	0	0	0	0	0	0
Carrying Charge on Gas Balancing Software Costs	0	(3)	(3)	0	(2)	(2)	0	0	0
Stray Voltage Testing	15	0	15	0	0	0	0	0	0
Excess Depreciation Reserve	623	0	623	0	0	0	0	0	0
Gas Balancing Software - Tax Depreciation	0	6	6	0	0	0	0	0	0
Carrying Charge on Property Taxes	4	0	4	6	0	6	0	0	0
Carrying Charge on Shared Earnings (05-E-0934)	4	0	4	4	0	4	0	0	0
Carrying Charge on Groveville Gain	1	0	1	1	0	1	0	0	0
Total Deferred State Taxes	(\$3,141)	(\$744)	(\$3,885)	(\$5,148)	(\$1,196)	(\$6,344)	(\$5,760)	(\$1,357)	(\$7,117)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
RATE BASE - WORKING CAPITAL (BRIDGE PERIODS AND RATE YEAR)
(\$000)

DESCRIPTION	Twelve-Month Average for the Period Ended December 31, 2008		Twelve-Month Average for the Period Ended December 31, 2009		Twelve-Month Average for the Period Ended June 30, 2010	
	Electric	Gas	Electric	Gas	Electric	Gas
Other Materials and Supplies	\$5,948	\$1,195	\$6,079	\$1,221	\$6,146	\$1,234
<u>Prepayments:</u>						
Prepaid Property Taxes	5,718	1,520	6,106	1,623	6,256	1,663
Prepaid Insurance	1,045	184	1,067	189	1,076	190
Other Prepayments	1,755	310	1,793	317	1,815	320
Total Prepayment Working Capital	8,518	2,014	8,966	2,129	9,147	2,173
O & M Cash Working Capital	18,514	4,207	18,863	4,413	19,565	4,560
Total Working Capital	\$32,980	\$7,416	\$33,908	\$7,763	\$34,858	\$7,967
		\$40,396		\$41,671		\$42,825
						\$7,380

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Disposition of Deferred Items

Schedule A - Electric Deferred Items for Offset

Schedule B - Gas Deferred Items for Amortization

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-xxxx
Electric Balance Sheet Offsets

Electric Deferred Debits and Credits:

July 1, 2009

<u>Deferred Debits</u>	<u>Gross</u>	<u>Tax</u>	<u>Net</u>
Pension Reserve Carrying Charges	\$ 8,571	\$ (3,395)	\$ 5,176
Deferred MGP Costs (Electric allocation) & CC	6,218	(2,463)	3,755
Deferred Pension Costs	3,259	(1,291)	1,968
Deferred OPEB Costs - Medicare Subsidy	1,633	-	1,633
Variable Rate Notes	949	(376)	573
Deferred NYS Taxes	379	94	473
AMR Meter Installations	305	(121)	184
Deferred R&D Costs	126	(50)	76
PV Net Metering	70	(28)	42
Deferred Software Costs	41	(16)	25
Total Deferred Debits	<u>\$ 21,551</u>	<u>\$ (7,646)</u>	<u>\$ 13,904</u>
<u>Deferred Credits</u>			
Electric Depreciation Reserve	(32,402)	12,836	(19,566)
Deferred OPEB Costs - Excluding Medicare Subsidy	(8,733)	3,460	(5,273)
OPEB Reserve Carrying Charges	(5,889)	2,333	(3,556)
Deferred Property Taxes & CC	(3,603)	1,427	(2,176)
Deferred Medicare Subsidy Tax Benefits	(3,140)	1,244	(1,896)
Deferred EPOP Costs & CC	(2,635)	1,044	(1,591)
Deferred Shared Earnings & CC	(1,276)	505	(771)
Stray Voltage	(1,225)	485	(740)
NMP-2 Deferred Settlement Agreement Costs & CC	(527)	209	(318)
Competition Education Program	(415)	164	(251)
Deferred Gain on Sale of Groverville Mills & CC	(364)	144	(220)
Carrying Charges - Deferred NYS Taxes	(45)	18	(27)
Deferred Gain on Sale of Beacon Property & CC	(20)	8	(12)
Statutory Rate Adjustment	(118)	47	(71)
Other	-	-	-
Total Deferred Credits	<u>\$ (60,392)</u>	<u>\$ 23,924</u>	<u>\$ (36,467)</u>
Net Deferred Credit Before Offsets	\$ (38,841)	\$ 16,278	\$ (22,563)
Recovery of Electric Book/Theoretical Reserve Deficiency	<u>17,621</u>	<u>(6,980)</u>	<u>10,640</u>
Net Deferred Credit After Offsets	<u>\$ (21,220)</u>	<u>\$ 9,297</u>	<u>\$ (11,923)</u>

Central Hudson Gas & Electric Corporation
Case No. 08-G-xxxx
Gas Balance Sheet Offsets
July 1, 2009

Exhibit__(RRP-7)
Schedule B

Gas Deferred Debits and Credits:

		July 1, 2009		
		Gross	Tax	Net
<u>Deferred Debits</u>				
Unrecovered Regulatory Asset - Non-Interest bearing	a	\$ 17,180	\$ (6,806)	\$ 10,374
Unrecovered Regulatory Asset - Interest bearing	b	5,802	(2,298)	3,504
Pension Reserve Carrying Charges	a	3,962	(1,570)	2,392
Deferred MGP Costs (Gas allocation) & CC	b	1,097	(435)	663
Deferred Pension Costs	a	1,097	(435)	662
Deferred Gas Balancing Software Costs & CC	b	597	(237)	360
Deferred OPEB Medicare Benefit	a	449	(178)	271
Deferred Software Costs	b	12	(5)	7
Variable Rate Notes	b	258	(102)	156
		<u>\$ 30,454</u>	<u>\$ (12,064)</u>	<u>\$ 18,389</u>

Deferred Credits

Deferred OPEB Costs	a	\$ (1,370)	\$ 543	\$ (827)
OPEB Reserve Carrying Charges	a	(877)	347	(530)
Deferred Property Taxes & CC	b	(797)	316	(481)
Deferred Medicare Subsidy Tax Benefits	a	(652)	258	(394)
Deferred NYS Taxes	b	(611)	231	(380)
Deferred EPOP Costs & CC	b	(469)	186	(283)
Competition Education Program	b	(82)	32	(50)
Carrying Charges - Deferred NYS Taxes	b	(76)	30	(46)
Deferred R&D	b	(76)	30	(46)
Statutory Rate Adjustment	b	(22)	9	(13)
Other		-	-	-
		<u>\$ (5,032)</u>	<u>\$ 1,982</u>	<u>\$ (3,049)</u>

Net Regulatory Asset before Offsets		<u>\$ 25,422</u>	<u>\$ (10,082)</u>	<u>\$ 15,340</u>
Pass-Back of Gas Book/Theoretical Reserve Excess	b	<u>(4,586)</u>	<u>1,817</u>	<u>(2,769)</u>
Net Regulatory Asset after Offsets		<u>\$ 20,836</u>	<u>\$ (8,265)</u>	<u>\$ 12,571</u>

Net Unrecovered Gas Net Reg Asset:

Non-Interest Bearing	a	19,789	(7,839)	11,949
Interest Bearing	b	1,047	(426)	621
Total		<u>20,836</u>	<u>(8,265)</u>	<u>12,571</u>

The non-interest bearing components ("a" references) of the gas net regulatory asset balance are amortized on a straight-line basis over 5 years beginning July 1, 2009.

	19,789	5	3,958
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The interest bearing components ("b" references) of the gas net regulatory asset balance is amortized over 5 years, on a levelized basis recognizing accrued interest on the unamortized balance at the carrying charge rate, beginning July 1, 2009

	1,047	5	<u>247</u>
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Annual Recovery of Gas Net Regulatory Asset			<u>4,205</u>
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CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Expense Items Removed From "Expense Projections Based on Inflation"

- Schedule A - Electric Actual Rate Year History
- Schedule B - Gas Actual Rate Year History
- Schedule C - Gas Leak Repairs Distribution Main Growth Rate
- Schedule D - Transportation Fuel Costs Growth Rate
- Schedule E - Customer Bill Print & Mail Growth Rate

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CASE 08-E-XXXX

ELECTRIC OPERATIONS
EXPENSES PROJECTED BASED ON INFLATION
ACTUAL RATE YEAR EXPENSE HISTORY

ITEM	Rate Year Ended June 30, 2002	Rate Year Ended June 30, 2003	Rate Year Ended June 30, 2004	Rate Year Ended June 30, 2005	Rate Year Ended June 30, 2006	Rate Year Ended June 30, 2007
Direct Invoices (Residual)	5,207	5,612	5,298	5,041	5,581	6,298
Material & Supplies	1,071	989	888	1,005	1,177	1,028
Office Supplies & Expenses	1,368	1,272	1,375	1,422	2,172	2,046
Stores Handling Expense	62	15	37	73	82	82
Miscellaneous Expenses (JV's)	(708)	(297)	152	632	1,695	162
Advertising	181	221	169	177	243	273
Postage	791	873	845	835	918	893
Miscellaneous Rents	95	103	123	131	189	151
Transformer Installations & Removals (Cr.)	(87)	(581)	(760)	(711)	(868)	(917)
Meter Installations (Credit)	(49)	(273)	(243)	(232)	(234)	(317)
Transportation Excluding Depreciation	<u>731</u>	<u>537</u>	<u>384</u>	<u>842</u>	<u>794</u>	<u>750</u>
Total - Expenses Projected Based on Inflation	<u>8,662</u>	<u>8,471</u>	<u>8,268</u>	<u>9,215</u>	<u>11,749</u>	<u>10,449</u>

Change in Dollars	<u>(191)</u>	<u>(203)</u>	<u>947</u>	<u>2,534</u>	<u>(1,300)</u>
Change as a %	<u>-2.21%</u>	<u>-2.40%</u>	<u>11.45%</u>	<u>27.50%</u>	<u>-11.06%</u>

Average Rate of Growth	4.66%
Average Rate of Inflation Assumed in Rate Cases	2.10%

**CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CASE 08-G-XXXX**

GAS OPERATIONS

**EXPENSES PROJECTED BASED ON INFLATION
ACTUAL RATE YEAR EXPENSE HISTORY**

<u>ITEM</u>	<u>Rate Year Ended June 30, 2002</u>	<u>Rate Year Ended June 30, 2003</u>	<u>Rate Year Ended June 30, 2004</u>	<u>Rate Year Ended June 30, 2005</u>	<u>Rate Year Ended June 30, 2006</u>	<u>Rate Year Ended June 30, 2007</u>
Direct Invoices (Residual)	1,568	1,824	1,663	1,995	2,398	2,881
Material & Supplies	340	235	90	274	331	410
Office Supplies & Expenses	264	214	215	272	404	411
Stores Handling Expense	18	6	14	33	33	40
Miscellaneous Expenses (JV's)	149	105	194	410	202	50
Advertising	30	38	30	31	45	43
Postage	144	154	149	147	162	158
Miscellaneous Rents	18	21	23	25	33	26
Meter Installations (Credit)	(76)	(159)	(163)	(216)	(279)	(261)
Transportation Excluding Depreciation	<u>196</u>	<u>215</u>	<u>189</u>	<u>278</u>	<u>368</u>	<u>342</u>
Total - Expenses Projected Based on Inflation	<u>2,651</u>	<u>2,653</u>	<u>2,404</u>	<u>3,249</u>	<u>3,697</u>	<u>4,100</u>
Change in Dollars		<u>2</u>	<u>(249)</u>	<u>845</u>	<u>448</u>	<u>403</u>
Change as a %		<u>0.08%</u>	<u>-9.39%</u>	<u>35.15%</u>	<u>13.79%</u>	<u>10.90%</u>
Average Rate of Growth						10.11%
Average Rate of Inflation Assumed in Rate Cases						2.10%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CASE 08-G-XXXX
GAS OPERATIONS
LEAK REPAIRS OF DISTRIBUTION MAIN (NON-LABOR)
FOUR-YEAR AVERAGE GROWTH RATE

PSC ACCOUNT	FUNCTION	DESCRIPTION	Twelve Months Ended December 31st				4 Year Average
			2003	2004	2005	2006	
887.00	85520	Leak Repairs Distribution Main	115,482	207,371	425,917	750,908	757,283
		Number of Leaks Repaired Charged to Expense	<u>234</u>	<u>352</u>	<u>379</u>	<u>392</u>	<u>311</u>
		Costs per Leak (Non-Labor)	<u>494</u>	<u>589</u>	<u>1,124</u>	<u>1,916</u>	<u>2,435</u>
		Rate of Growth		<u>19.37%</u>	<u>90.76%</u>	<u>70.46%</u>	<u>27.12%</u>
							<u>51.93%</u>

**CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CASES 08-E-XXXX AND 08-G-XXXX
TRANSPORTATION FUEL COSTS
TWO-YEAR AVERAGE GROWTH RATE**

Fuel Type - Stock Code	Gas 50-09-003	Fuel From Company Stock		Average Price	
		Amount	Quantity	Growth Rate	2-Year Average
Calendar Year	2005	\$ 719,311	303,013		
Calendar Year	2006	\$ 886,956	283,841	31.64%	
Calendar Year	2007	\$ 842,887	286,290	-5.78%	12.93%
Fuel Type - Stock Code	Diesel 50-09-004	Fuel From Company Stock		Average Price	
		Amount	Quantity		
Calendar Year	2005	\$ 523,943	204,914		
Calendar Year	2006	\$ 601,257	198,425	18.51%	
Calendar Year	2007	\$ 655,804	210,064	3.03%	10.77%
Total Fuel		Fuel From Company Stock		Average Price	
		Amount	Quantity		
Calendar Year	2005	\$ 1,243,254	507,927		
Calendar Year	2006	\$ 1,488,213	482,266	26.07%	
Calendar Year	2007	\$ 1,498,691	496,354	-2.15%	11.96%

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CASE 08-E-XXXX AND 08-G-XXXX
CUSTOMER BILL PRINT AND MAIL
FOUR-YEAR AVERAGE GROWTH RATE

<u>Calendar Year</u>	<u>Total</u>	<u>Less: Postage</u>	<u>Total Excluding Postage</u>	<u>Percent Change</u>
2003	\$1,575,248	\$875,126	\$700,122	
2004	\$1,521,128	\$834,983	\$686,145	-2.00%
2005	\$1,603,635	\$890,131	\$713,504	3.99%
2006	\$1,726,585	\$952,382	\$774,203	8.51%
2007	\$1,832,201	\$992,765	\$839,436	8.43%
			Four-Year Average Growth Rate	4.73%