

EXHIBIT \_\_\_\_ (CDT-1)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

CALCULATION OF FEDERAL & STATE INCOME TAXES

Schedule A - Twelve Months Ended March 31, 2008

Schedule B - Twelve Months Ended December 31, 2008

Schedule C - Twelve Months Ended December 31, 2009

Schedule D - Twelve Months Ended June 30, 2010

EXHIBIT\_\_\_(CDT-1)

Schedule A  
Sheet 1 of 6

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Calculation of Federal Income Taxes  
Twelve Months Ended March 31, 2008  
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Total Utility Operating Income	\$39,688	\$9,517	\$49,205
Federal Income Tax - Utility Operations	13,969	3,571	17,540
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Income Before Federal Income Tax Excluding Interest Charges	53,657	13,088	66,745
Reconciling Amounts			
Additional Income/Unallowable Deductions	65,154	23,175	88,329
Additional Deductions/Nontaxable Income	90,530	19,482	110,012
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Taxable Income	28,281	16,781	45,062
Dividend Credit on Preferred Stock	(95)	(32)	(127)
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Adjusted Taxable Income	28,186	16,749	44,935
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Utility Operations Federal Income Tax			
Current Period Accrual @ 35%	9,866	5,862	15,728
Additional Accrual	0	0	0
Prior Period Adjustment	(287)	23	(264)
Total Account 409.1	9,579	5,885	15,464
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Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	4,390	(2,314)	2,076
Federal Income Tax-Utility Operations	13,969	3,571	17,540
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CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Calculation of State Income Taxes  
Twelve Months Ended March 31, 2008  
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Federal Taxable Income	28,281	16,781	45,062
NYS Adjustments to Federal Taxable Income:			
<u>Additions:</u>			
New York State Income Tax - Current Period	1,859	1,184	3,043
MTA on New York State Income Tax	150	222	372
Fed Depreciation Deduction-Transition Property	9,056	3,915	12,971
Total Additions	11,065	5,321	16,386
<u>Subtractions:</u>			
NYS Depreciation Deduction-Transition Property	13,405	4,703	18,108
Total Subtractions	13,405	4,703	18,108
 New York Taxable Income	 25,941	 17,399	 43,340
Utility Operations NYS Income Tax			
Current Period Accrual @ 7.1%	1,842	1,235	3,077
Additional Accrual	-	-	-
Prior Year Adjustments	17	(51)	(34)
Total Account 409.1	1,859	1,184	3,043
Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	661	(479)	182
NYS Income Tax - Utility Operations	2,520	705	3,225
	2,520	705	3,225

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
Electric Department  
Twelve Months Ended March 31, 2008  
(\$000)

<u>Reconciling Items</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts <u>410.1/411.1</u>	State Deferred Income Taxes Accounts <u>410.1/411.1</u>
Interest Expense		13,929		
Depreciation	22,467	34,376	4,855	642
Transportation Depreciation	2,853			
Def CBA				14
Use of CBA - Customer Refunds	190		(67)	(9)
Use of CBA - Economic Development		661	232	30
Use of CBA - Competitive Education	206		(72)	(9)
Use of CBA - Competitive Metering		14	5	1
Deferred Shared Earnings	207		(73)	(7)
Excess Depreciation Reserve		14,832	5,191	668
Gain on Groveville Hydro	325		(114)	(15)
Gain on Beacon Parcel	20		(7)	(1)
Def Revenues - Medicare Act Subsidy	1,104		(383)	(48)
Def NYS Taxes - Tax Law 2000 Adj		20	6	
Deduction for Bad Debt	3,631	4,011		
Provision for Injuries & Damages	663	143		
Worker's Compensation Reserve	169	256		
Property Tax Accrued		202		
Vacation Accrual-Add'l Tax Deduction		25		
Deferred Directors Compensation	182		(82)	2
Officers Life Ins Policy Premium	45			
Officers Life Ins Policy - Buildup CSV		91		
50 Percent Meal Disallowance	198			
Avoided Cost Interest Capitalized	889		(28)	(11)
Cost of Removal - Tax Basis		1,512	(432)	(51)
Repair Allowance		2,794	597	109
Contribution in Aid of Construction	2,190		(634)	(90)
Mortgage Bond Redemption Premium	277		(97)	(7)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
Electric Department  
Twelve Months Ended March 31, 2008  
(\$000)

<u>Reconciling Items Continued</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts 410.1/411.1	State Deferred Income Taxes Accounts 410.1/411.1
Electric Fuel Costs Deferred		12,086	4,230	511
Powerful Opp Program - Over/Under Coll	886		(310)	(39)
Attachment Rents	45		(16)	(2)
Stray Voltage Testing		27	10	3
MGP SIR Costs & Recovery		3,294	1,153	157
Asbestos Litigation	380		(132)	(20)
R & D Costs Deferred		1	1	
SBC Costs Deferred	101		(35)	(5)
Def Lost Rev PV Net Metering		12	4	1
VEBA Receivable		109		
MTA Tax		177	62	1
Def Elect Serv Quality Incentive Penalty	111		(39)	(3)
Unbilled Revenue	8,274		(2,896)	(367)
OPEB Expense-Not Funded	6,771		(2,370)	(207)
OPEB Expense-Medicare Act Subsidy		1,265		
Deferred OPEB Over/Under collected	1,106		(387)	(49)
Medicare Act Subsidy-over/under coll		398		
Officers Pension Expense FAS87	521		(183)	(19)
Pension Expense-Not Deductible	9,426		(3,299)	(445)
Deferred Pension Exp Over/Under Collected		265	92	9
Directors Stock Compensation		30	11	2
Executive Performance Shares Plan	304		(107)	(10)
FAS 123 Fair Value Option Accrual	17		(6)	
Deferred Property Tax overcollection	1,431		(516)	(68)
NMP2 Deferred Global Settle Costs	165		(58)	(7)
Statutory Rate Adjustment			71	
FIT Research Credit			332	
Amort.Deferred FIT Const. Charges			(109)	
Amort 81-82 ACRS Method Change			(10)	
Total	\$65,154	90,530	4,390	661

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
Gas Department  
Twelve Months Ended March 31, 2008  
(\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Interest Expense		4,167		
Depreciation	6,011	10,462	2,069	216
Transportation Depreciation	502			
Use of CBA - Economic Development		83	29	4
Use of CBA - Competitive Education	45		(16)	(2)
Residual Gas Deferred Balances	276		(101)	(13)
Def Revenues - Medicare Act Subsidy	3,231		(1,164)	(235)
Def NYS Tax Laws - Tax Law 2000 Adj	3		(1)	
Deduction for Bad Debt	2,010	2,099		
Provision for Injuries & Damages	116	25		
Worker's Compensation Reserve	29	45		
Property Tax Accrued		104		
Vacation Accrual-Add'l Tax Deduction		4		
Deferred Directors Compensation	32		(14)	1
Officers Life Ins Policy Premium	8			
Officers Life Ins Policy - Buildup CSV		15		
50 Percent Meal Disallowance	37			
Avoided Cost Interest Capitalized	79		(1)	(2)
Cost of Removal - Tax Basis		721	80	9
Contribution in Aid of Construction	104		30	
Mortgage Bond Redemption Premium	93		(33)	(3)

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
Gas Department  
Twelve Months Ended March 31, 2008  
(\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Gas Costs Deferred	3,222		(1,128)	(178)
Powerful Opp Program - Over/Under Coll	155		(54)	(7)
Interruptible AMR Meters		106	37	4
MGP SIR Costs & Recovery		581	203	29
R & D Costs Deferred	6		(3)	
Gas Bal Software Maint Costs		52	24	3
VEBA Receivable		19		
MTA Tax		307	108	4
Unbilled Revenue	3,143		(1,100)	(130)
OPEB Expense-Not Funded	1,486		(520)	(72)
OPEB Expense-Medicare Act Subsidy		298		
Deferred OPEB Over/Under collected		11	4	1
Medicare Act Subsidy-over/under coll		48		
Officers Pension Expense FAS87	92		(32)	(6)
Pension Expense-Not Deductible	2,069		(724)	(98)
Deferred Pension Exp Over/Under Coll		330	116	14
Directors Stock Compensation		5	1	
Executive Performance Shares Plan	53		(18)	(3)
FAS 123 Fair Value Option Accrual	2		(1)	
Deferred Propert Tax overcollection	371		(116)	(15)
Statutory Rate Adjustment			13	
Amort 81-82 ACRS Method Change			(2)	
Total	<u>\$23,175</u>	<u>\$19,482</u>	<u>(\$2,314)</u>	<u>(\$479)</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
 Calculation of Federal Income Taxes  
 Twelve Months Ended December 31, 2008  
 (\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Total Utility Operating Income	\$34,615	\$8,149	\$42,764
Federal Income Tax - Utility Operations	10,026	2,825	12,851
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Income Before Federal Income Tax Excluding Interest Charges	44,641	10,974	55,615
Reconciling Amounts			
Additional Income/Unallowable Deductions	52,901	15,879	68,780
Additional Deductions/Nontaxable Income	91,700	25,329	117,029
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Taxable Income	5,842	1,524	7,366
Dividend Credit on Preferred Stock	(95)	(32)	(127)
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Adjusted Taxable Income	5,747	1,492	7,239
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Utility Operations Federal Income Tax			
Current Period Accrual @ 35%	2,011	522	2,533
Additional Accrual	0	0	0
Prior Period Adjustment	0	0	0
Total Account 409.1	2,011	522	2,533
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Total Provision for Deferred Income Tax Accounts 410.1 & 411.1	8,015	2,303	10,318
Federal Income Tax-Utility Operations	10,026	2,825	12,851
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CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Calculation of State Income Taxes  
Twelve Months Ended December 31, 2008  
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Federal Taxable Income	5,842	1,524	7,366
NYS Adjustments to Federal Taxable Income:			
<u>Additions:</u>			
New York State Income Tax - Current Period	1,024	453	1,477
Fed Depreciation Deduction-Transition Property	21,898	8,082	29,980
Total Additions	22,922	8,535	31,457
<u>Subtractions:</u>			
NYS Depreciation Deduction-Transition Property	14,206	3,629	17,835
Amortization - Regulatory Asset	140	47	187
Total Subtractions	14,346	3,676	18,022
 New York Taxable Income	 14,418	 6,383	 20,801
 Utility Operations NYS Income Tax			
Current Period Accrual @ 7.1%	1,024	453	1,477
Additional Accrual	-	-	-
Prior Year Adjustments	-	-	-
Total Account 409.1	1,024	453	1,477
 Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	1,118	251	1,369
NYS Income Tax - Utility Operations	2,142	704	2,846

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
Electric Department  
Twelve Months Ended December 31, 2008  
(\$000)

<u>Reconciling Items</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts <u>410.1/411.1</u>	State Deferred Income Taxes Accounts <u>410.1/411.1</u>
Interest Expense		16,413		
Depreciation	23,951	50,392	10,063	1,359
Transportation Depreciation	2,905			
Property Tax Accrued		449		
Vacation Accrual-Add'l Tax Deduction		22		
Deferred Directors Compensation				
Officers Life Ins Policy Premium	46			
Officers Life Ins Policy - Buildup CSV		34		
50 Percent Meal Disallowance	174			
Avoided Cost Interest Capitalized	897		32	(1)
Cost of Removal - Tax Basis		3,320	58	2
Repair Allowance		1,000	(36)	26
Contribution in Aid of Construction	3,259		(978)	(140)
Mortgage Bond Redemption Premium	277		(96)	(8)
MGP SIR Costs & Recovery	1,403	4,294	1,012	133
Asbestos Litigation				
OPEB Expense-Not Funded	3,509	1,476	(712)	(94)
OPEB Expense-Medicare Act Subsidy		351		
Deferred OPEB Over/Under collected	4,593		(1,608)	(212)
Medicare Act Subsidy-over/under coll		921		
Officers Pension Expense FAS87	1,127	445	(239)	(31)
Pension Expense-Not Deductible	10,760	10,250	(179)	(24)
Deferred Pension Exp Over/Under Collected		2,333	817	108
Amort.Deferred FIT Const. Charges			(109)	
Amort 81-82 ACRS Method Change			(10)	
Total	<u>\$52,901</u>	<u>91,700</u>	<u>8,015</u>	<u>1,118</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
Gas Department  
Twelve Months Ended December 31, 2008  
(\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Interest Expense		4,811		
Depreciation	6,268	15,543	3,981	473
Transportation Depreciation	513			
Residual Gas Deferred Balance	4,299		(1,505)	(198)
Property Tax Accrued		104		
Vacation Accrual-Add'l Tax Deduction		4		
Deferred Directors Compensation				
Officers Life Ins Policy Premium	8			
Officers Life Ins Policy - Buildup CSV		6		
50 Percent Meal Disallowance	31			
Avoided Cost Interest Capitalized	38		6	(1)
Cost of Removal - Tax Basis		638	25	3
Contribution in Aid of Construction	88		33	3
Mortgage Bond Redemption Premium	93		(32)	(2)
MGP SIR Costs & Recovery	247	758	179	24
OPEB Expense-Not Funded	789	324	(163)	(21)
OPEB Expense-Medicare Act Subsidy		79		
Deferred OPEB Over/Under collected	886		(310)	(41)
Medicare Act Subsidy-over/under coll		183		
Officers Pension Expense FAS87	199	79	(42)	(6)
Pension Expense-Not Deductible	2,420	2,250	(60)	(8)
Deferred Pension Exp Over/Under Coll		550	193	25
Amort 81-82 ACRS Method Change			(2)	
Total	<u>\$15,879</u>	<u>\$25,329</u>	<u>\$2,303</u>	<u>\$251</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Calculation of Federal Income Taxes  
Twelve Months Ended December 31, 2009  
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Total Utility Operating Income	\$36,000	\$6,135	\$42,135
Federal Income Tax - Utility Operations	10,486	1,959	12,445
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Income Before Federal Income Tax Excluding Interest Charges	46,486	8,094	54,580
 Reconciling Amounts			
Additional Income/Unallowable Deductions	51,160	16,403	67,563
Additional Deductions/Nontaxable Income	87,815	22,262	110,077
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Taxable Income	9,831	2,235	12,066
Dividend Credit on Preferred Stock	(95)	(32)	(127)
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Adjusted Taxable Income	9,736	2,203	11,939
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Utility Operations Federal Income Tax Current Period Accrual @ 35%	3,408	771	4,179
Additional Accrual	0	0	0
Prior Period Adjustment	0	0	0
Total Account 409.1	3,408	771	4,179
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Total Provision for Deferred Income Tax Accounts 410.1 & 411.1	7,078	1,188	8,266
Federal Income Tax-Utility Operations	10,486	1,959	12,445
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CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Calculation of State Income Taxes  
Twelve Months Ended December 31, 2009  
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Federal Taxable Income	9,831	2,235	12,066
NYS Adjustments to Federal Taxable Income:			
<u>Additions:</u>			
New York State Income Tax - Current Period	819	274	1,093
Fed Depreciation Deduction-Transition Property	14,893	4,971	19,864
Total Additions	15,712	5,245	20,957
<u>Subtractions:</u>			
NYS Depreciation Deduction-Transition Property	13,891	3,574	17,465
Amortization - Regulatory Asset	122	41	163
Total Subtractions	14,013	3,615	17,628
 New York Taxable Income	 11,530	 3,865	 15,395
 Utility Operations NYS Income Tax			
Current Period Accrual @ 7.1%	819	274	1,093
Additional Accrual	-	-	-
Prior Year Adjustments	-	-	-
Total Account 409.1	819	274	1,093
 Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	1,021	106	1,127
NYS Income Tax - Utility Operations	1,840	380	2,220

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
Electric Department  
Twelve Months Ended December 31, 2009  
(\$000)

<u>Reconciling Items</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts <u>410.1/411.1</u>	State Deferred Income Taxes Accounts <u>410.1/411.1</u>
Interest Expense		18,123		
Depreciation	26,699	49,190	8,876	1,227
Transportation Depreciation	2,919			
Property Tax Accrued		303		
Vacation Accrual-Add'l Tax Deduction		15		
Deferred Directors Compensation				
Officers Life Ins Policy Premium	47			
Officers Life Ins Policy - Buildup CSV		34		
50 Percent Meal Disallowance	178			
Avoided Cost Interest Capitalized	847		30	(2)
Cost of Removal - Tax Basis		4,436	483	61
Repair Allowance		1,000	(43)	25
Contribution in Aid of Construction	1,409		(303)	(51)
Mortgage Bond Redemption Premium	261		(91)	(8)
MGP SIR Costs & Recovery	2,805	5,143	818	108
Asbestos Litigation				
OPEB Expense-Not Funded	3,392	2,050	(470)	(62)
OPEB Expense-Medicare Act Subsidy		292		
Deferred OPEB Over/Under collected	3,227		(1,129)	(149)
Medicare Act Subsidy-over/under coll		634		
Officers Pension Expense FAS87	1,127	445	(239)	(31)
Pension Expense-Not Deductible	6,784	6,150	(222)	(29)
Deferred Pension Exp Over/Under Collect	1,465		(513)	(68)
Amort.Deferred FIT Const. Charges			(109)	
Amort 81-82 ACRS Method Change			(10)	
Total	<u>\$51,160</u>	<u>87,815</u>	<u>7,078</u>	<u>1,021</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
Gas Department  
Twelve Months Ended December 31, 2009  
(\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Interest Expense		5,044		
Depreciation	6,956	13,538	3,208	374
Transportation Depreciation	515			
Residual Gas Deferred Balance	4,526		(1,584)	(209)
Property Tax Accrued		42		
Vacation Accrual-Add'l Tax Deduction		3		
Deferred Directors Compensation				
Officers Life Ins Policy Premium	8			
Officers Life Ins Policy - Buildup CSV		6		
50 Percent Meal Disallowance	31			
Avoided Cost Interest Capitalized	85		5	(1)
Cost of Removal - Tax Basis		595	19	2
Contribution in Aid of Construction	88		34	3
Mortgage Bond Redemption Premium	87		(30)	(2)
MGP SIR Costs & Recovery	495	908	145	19
OPEB Expense-Not Funded	763	450	(110)	(14)
OPEB Expense-Medicare Act Subsidy		66		
Deferred OPEB Over/Under collected	857		(300)	(40)
Medicare Act Subsidy-over/under coll		181		
Officers Pension Expense FAS87	199	79	(42)	(6)
Pension Expense-Not Deductible	1,525	1,350	(61)	(8)
Deferred Pension Exp Over/Under Coll	268		(94)	(12)
Amort 81-82 ACRS Method Change			(2)	
Total	<u>\$16,403</u>	<u>\$22,262</u>	<u>\$1,188</u>	<u>\$106</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
 Calculation of Federal Income Taxes  
 Twelve Months Ended June 30, 2010  
 (\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Total Utility Operating Income	\$31,546	\$5,819	\$37,365
Federal Income Tax - Utility Operations	8,306	1,892	10,198
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Income Before Federal Income Tax Excluding Interest Charges	39,852	7,711	47,563
Reconciling Amounts			
Additional Income/Unallowable Deductions	50,669	15,897	66,566
Additional Deductions/Nontaxable Income	86,871	21,267	108,138
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Taxable Income	3,650	2,341	5,991
Dividend Credit on Preferred Stock	(95)	(32)	(127)
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Adjusted Taxable Income	3,555	2,309	5,864
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Utility Operations Federal Income Tax			
Current Period Accrual @ 35%	1,245	808	2,053
Additional Accrual	0	0	0
Prior Period Adjustment	0	0	0
Total Account 409.1	1,245	808	2,053
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Total Provision for Deferred Income Tax Accounts 410.1 & 411.1	7,061	1,084	8,145
Federal Income Tax-Utility Operations	8,306	1,892	10,198
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CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Calculation of State Income Taxes  
Twelve Months Ended June 30, 2010  
(\$000)

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Federal Taxable Income	3,650	2,341	5,991
NYS Adjustments to Federal Taxable Income:			
<u>Additions:</u>			
New York State Income Tax - Current Period	3	164	167
Fed Depreciation Deduction-Transition Property	10,184	3,379	13,563
Total Additions	10,187	3,543	13,730
<u>Subtractions:</u>			
NYS Depreciation Deduction-Transition Property	13,696	3,541	17,237
Amortization - Regulatory Asset	103	34	137
Total Subtractions	13,799	3,575	17,374
 New York Taxable Income	 38	 2,309	 2,347
 Utility Operations NYS Income Tax			
Current Period Accrual @ 7.1%	3	164	167
Additional Accrual	-	-	-
Prior Year Adjustments	-	-	-
Total Account 409.1	3	164	167
 Total Provision for Deferred			
Income Tax Accounts 410.1 & 411.1	1,029	110	1,139
NYS Income Tax - Utility Operations	1,032	274	1,306

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
Electric Department  
Twelve Months Ended June 30, 2010  
(\$000)

<u>Reconciling Items</u>	Additional Income/ Unallowable Deductions	Additional Deductions/ Nontaxable Income	Federal Deferred Income Taxes Accounts <u>410.1/411.1</u>	State Deferred Income Taxes Accounts <u>410.1/411.1</u>
Interest Expense		18,433		
Depreciation	27,894	46,811	7,627	1,072
Transportation Depreciation	2,952			
Property Tax Accrued		204		
Vacation Accrual-Add'l Tax Deduction		11		
Deferred Directors Compensation				
Officers Life Ins Policy Premium	47			
Officers Life Ins Policy - Buildup CSV		34		
50 Percent Meal Disallowance	180			
Avoided Cost Interest Capitalized	856		30	(3)
Cost of Removal - Tax Basis		4,640	536	69
Repair Allowance		1,000	(47)	25
Contribution in Aid of Construction	1,409		(295)	(49)
Mortgage Bond Redemption Premium	241		(84)	(8)
MGP SIR Costs & Recovery	4,208	6,769	896	118
Asbestos Litigation				
OPEB Expense-Not Funded	4,035	2,050	(695)	(92)
OPEB Expense-Medicare Act Subsidy		322		
Deferred OPEB Over/Under collected		1		
Medicare Act Subsidy-over/under coll	1			
Officers Pension Expense FAS87	1,127	445	(239)	(31)
Pension Expense-Not Deductible	7,719	6,150	(549)	(72)
Deferred Pension Exp Over/Under Collected		1		
Amort.Deferred FIT Const. Charges			(109)	
Amort 81-82 ACRS Method Change			(10)	
Total	<u>\$50,669</u>	<u>86,871</u>	<u>7,061</u>	<u>1,029</u>

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
 Federal & State Income Tax Reconciling Amounts & Deferred Taxes  
 Gas Department  
 Twelve Months Ended June 30, 2010  
 (\$000)

<u>Reconciling Items</u>	<u>Additional Income/ Unallowable Deductions</u>	<u>Additional Deductions/ Nontaxable Income</u>	<u>Federal Deferred Income Taxes Accounts 410.1/411.1</u>	<u>State Deferred Income Taxes Accounts 410.1/411.1</u>
Interest Expense		4,988		
Depreciation	7,289	12,498	2,713	326
Transportation Depreciation	521			
Residual Gas Deferred Balance	4,205		(1,472)	(194)
Property Tax Accrued		33		
Vacation Accrual-Add'l Tax Deduction		2		
Deferred Directors Compensation				
Officers Life Ins Policy Premium	8			
Officers Life Ins Policy - Buildup CSV		6		
50 Percent Meal Disallowance	32			
Avoided Cost Interest Capitalized	89		4	(1)
Cost of Removal - Tax Basis		594	13	2
Contribution in Aid of Construction	88		35	3
Mortgage Bond Redemption Premium	81		(28)	(2)
MGP SIR Costs & Recovery	742	1,194	158	21
OPEB Expense-Not Funded	907	450	(160)	(21)
OPEB Expense-Medicare Act Subsidy		72		
Deferred OPEB Over/Under collected		1		
Medicare Act Subsidy-over/under coll				
Officers Pension Expense FAS87	199	79	(42)	(6)
Pension Expense-Not Deductible	1,736	1,350	(135)	(18)
Deferred Pension Exp Over/Under Coll				
Amort 81-82 ACRS Method Change			(2)	
Total	<u>\$15,897</u>	<u>\$21,267</u>	<u>\$1,084</u>	<u>\$110</u>