

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

January 7, 2010

NOTICE OF PUBLIC STATEMENT HEARINGS ON
CENTRAL HUDSON GAS & ELECTRIC CORPORATION'S
PROPOSAL TO INCREASE ELECTRIC AND GAS RATES

The New York State Public Service Commission seeks public comments on an application filed July 31, 2009 in which Central Hudson Gas & Electric Corporation has proposed new rates, effective July 1, 2010, calculated to increase the company's annual revenues by \$15.2 million (7%) for electric delivery service and \$4.0 million (8%) for gas delivery service.

According to Central Hudson's estimates based on electric and gas commodity price forecasts as of June 2009, if a residential customer buys not only delivery service but also the commodity itself from Central Hudson, the proposed delivery rate increases would increase the typical monthly residential bill for combined delivery and commodity service by \$3.46 (3.7%) for electricity and \$3.97 (3.5%) for gas.

Central Hudson claims that it needs additional delivery revenues mainly because of "mandates and externally imposed costs," reduced sales volumes due to poor economic conditions and conservation, environmental remediation at the former manufactured gas plant in Newburgh, the cost of investment capital needed to serve new customers and maintain or upgrade delivery systems for existing customers, and inflationary increases in operating and maintenance expense and labor costs.

In opposition to Central Hudson's request, responsive testimony was filed November 17, 2009 by Trial Staff of the N.Y.S. Department of Public Service, and the N.Y.S. Consumer Protection Board. Trial Staff's filing advocates that the Commission decrease the company's rates to reduce annual revenues by \$17.0 million (8%) for electric delivery service and \$0.5 million (1%) for gas delivery service.

After all testimony and exhibits were filed, the active parties entered negotiations which could result in a new rate proposal to the Commission. The N.Y.S. Public Service Law

requires that the Commission decide the electric and gas cases by June 30, 2010. The Commission may approve, modify, or reject the company's request, in whole or in part, and may set rates for a multi-year period.

Public statement hearings will be held before Rafael A. Epstein, the Administrative Law Judge assigned by the Commission to hear these cases, as follows:

Poughkeepsie Tuesday, January 26, 2010
11:00 a.m.
Common Council Chambers
Municipal Building, 3rd Floor
62 Civic Center Plaza

Kingston Tuesday, January 26, 2010
6:00 p.m.
Council Chambers
Kingston City Hall
420 Broadway

There will be an opportunity for informal discussion before each hearing. It is not necessary to make an appointment in advance or present written material to speak at the hearings. Persons will be called to speak after completing a request card. All comments at the hearings will be transcribed and become part of the Commission's formal record. Each hearing will remain open for at least one hour, and will continue until everyone wishing to speak has been heard or other reasonable arrangements are made.

To assist with daytime parking at the Poughkeepsie hearing, free parking will be available in the City Hall Parking Garage at 62 Civic Center for anyone attending the hearing. Participants should bring their garage tickets to the hearing to be validated.

Disabled persons requiring special accommodations may place a collect call to the Department of Public Service's Human Resource Management Office at 518-474-2520 and should contact that office as soon as possible.

Other Ways to Comment

Writing: Those who cannot attend or prefer not to speak at a public statement hearing may comment by writing to Jaclyn A. Brillling, Secretary, Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. Your comment should refer to "Cases 09-E-0588 and 09-G-0589 - Central Hudson - Rates."

Toll-Free Opinion Line: You may comment through the Commission's Opinion Line at 1-800-335-2120. This number is set up to take comments about pending cases from in-state callers, 24 hours a day. Callers should select English or Spanish and press "1" to leave comments about the Central Hudson rate proposals.

Internet: You also may comment using the PSC Comment Form. On the homepage of the Commission's consumer website, www.askPSC.com, (1) click on "Contact Us" and then (2) click on "Comment Form." The Comment Form also can be accessed through the Commission's other website, www.dps.state.ny.us as follows: (1) on the homepage, click on "AskPSC.com & Consumer Assistance," then (2) click on "we want to know what you think" under "PSC Comment Form," then (3) click on "form." Many libraries offer free Internet access.

All comments using these methods should be submitted, or mailed and postmarked, no later than March 17, 2010. All statements at the hearings and other comments will become part of the record, will be made available at www.dps.state.ny.us, and will be reported to the Commission for its consideration.

Persons interested in the company's filing, the parties' testimony, and related documents may view them at www.dps.state.ny.us. On the homepage, click on "Electric" or "Natural Gas" and then click on "Central Hudson Electric [or Gas] Rate Case."

This matter is being heard in Case 09-E-0588, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corp. for Electric Service and Case 09-G-0589, Proceeding on Motion of the

CASES 09-E-0588 and 09-G-0589

Commission as to the Rates, Charges, Rules and Regulations of
Central Hudson Gas & Electric Corp. for Gas Service.

JACLYN A. BRILLING
Secretary