

6.12.5.2.2 Description of Annual Update Process

Central Hudson will recalculate the Hurley-FC revenue requirement, prospectively for the rate to be charged over the next year and retrospectively as a true up to actual rate base and expense, annually with the new rates to be effective each June 1, to permit the Hurley-FC to be adjusted to actual costs. The annual update will reflect the FERC Form 1 Report data from the most recent calendar year for all components of the allocation methodology, as well as actual project costs and associated income taxes and an updated megawatt-hour forecast for billing to the LSEs. Central Hudson will coordinate with the ISO to post the results of its annual updates to the NYISO's website. The annual update will include supporting documentation and be subject to review and challenge as described herein.

Central Hudson will track the gross plant costs of the Hurley-FC SDU. The Hurley-FC revenue requirement will equal Central Hudson's trued up rate base, at the Commission approved return on equity, and ongoing operations and maintenance and other costs based on the entire project cost. Based on those actual costs the Hurley-FC revenue requirements will be adjusted annually. Central Hudson will determine its annual adjusted revenue requirement using the template set forth in 6.12.5.2.1.

Central Hudson will coordinate with the ISO to post its proposed annual update to a publicly accessible location on the ISO's website by no later than April 15, of each year. Interested parties may submit comments to Central Hudson no later than May 1 of each year regarding the posted annual update. Central Hudson will coordinate with the ISO to post all comments submitted by interested parties to a publicly accessible location on the ISO's website. Central Hudson will submit an informational filing to the Commission with the results of its annual update, reflecting (to the extent necessary) any changes in response to comments

submitted by interested parties, by May 15 of each year. Central Hudson will also coordinate with the ISO to post the results of its annual update, as filed with the Commission, to a publicly accessible location on the ISO's website by May 15 of each year.