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QUARTERLY FINANCIAL REPORT

CENTRAL HUDSON GAS & ELECTRIC CORP.



QUARTER ENDED JUNE 30, 2026

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GLOSSARY

Certain terms used in this 2026 Quarterly Financial Report are defined below:

2024 Rate Order: Cases 23-E-0418 & 23-G-0419

NYSDEC: New York State Department of Environmental Conservation

2025 Rate Order: Cases 24-E-0461 & 24-G-0462

OCI: other comprehensive income

ASC: Accounting Standards Codification

OPEB: other post-employment benefits

Central Hudson or Company: Central Hudson Gas & Electric Corporation

PSC or Commission: New York State Public Service Commission

CH Energy Group: CH Energy Group, Inc.

RDM: Revenue Decoupling Mechanism

DPS: Department of Public Service

ROE: return on equity

FERC: Federal Energy Regulatory Commission

SERP: Supplemental Executive Retirement Plan

Fortis: Fortis Inc.

SIR: site investigation and remediation

NYISO: New York Independent System Operator

Staff: Department of Public Service Staff

CENTRAL HUDSON
CONDENSED STATEMENTS OF INCOME (UNAUDITED)

(In Thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating Revenues				
Electric	\$ 239,480	\$ 208,618	\$ 528,504	\$ 438,836
Natural gas	50,292	41,917	174,260	141,467
Total Operating Revenues	\$ 289,772	\$ 250,535	\$ 702,764	\$ 580,303
Operating Expenses				
Operation				
Purchased electricity	87,029	64,462	204,068	142,340
Purchased natural gas	15,114	10,397	62,784	42,260
Other expenses of operation	110,704	100,603	223,049	209,471
Depreciation and amortization	31,042	27,644	61,649	55,355
Taxes, other than income tax	19,228	19,700	45,336	39,771
Total Operating Expenses	\$ 263,117	\$ 222,806	\$ 596,886	\$ 489,197
Operating Income	\$ 26,655	\$ 27,729	\$ 105,878	\$ 91,106
Other Income and Deductions				
Interest on regulatory assets and other interest income	2,194	1,692	4,314	3,295
Non-service cost components of pension and OPEB	11,572	10,127	23,144	20,253
Other, net	55	(192)	476	533
Total Other Income	\$ 13,821	\$ 11,627	\$ 27,934	\$ 24,081
Interest Charges				
Interest on long-term debt	17,795	15,685	34,805	30,673
Interest on regulatory liabilities and other interest costs	51	783	1,449	2,681
Total Interest Charges	\$ 17,846	\$ 16,468	\$ 36,254	\$ 33,354
Income Before Income Taxes	22,630	22,888	97,558	81,833
Income Tax Expense	5,610	5,541	23,605	19,387
Net Income	<u>\$ 17,020</u>	<u>\$ 17,347</u>	<u>\$ 73,953</u>	<u>\$ 62,446</u>

CENTRAL HUDSON
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(In Thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net Income	\$ 17,020	\$ 17,347	\$ 73,953	\$ 62,446
OCI:				
Employee future benefits, net of tax	—	—	1	—
Comprehensive Income	<u>\$ 17,020</u>	<u>\$ 17,347</u>	<u>\$ 73,954</u>	<u>\$ 62,446</u>

The accompanying notes are an integral part of these condensed financial statements

CENTRAL HUDSON
CONDENSED STATEMENTS OF CASH FLOW (UNAUDITED)

(In Thousands)

	Six Months Ended June 30,	
	2026	2025
Operating Activities:		
Net income	\$ 73,953	\$ 62,446
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	50,530	46,854
Amortization	11,119	8,501
Deferred income taxes	23,872	19,325
Uncollectible expense	12,062	4,527
Pension and OPEB credit	(19,818)	(14,529)
Regulatory liability - rate moderation	(11,771)	(12,469)
Regulatory asset - RDM recorded	(7,008)	(6,385)
Changes in operating assets and liabilities, net:		
Accounts receivable, unbilled revenues, and other receivables	(505)	11,863
Fuel, materials, and supplies	1,983	4,589
Special deposits and prepayments	12,224	11,594
Income and other taxes	(268)	88
Accounts payable	(13,395)	1,935
Accrued interest	777	581
Customer advances	(1,322)	(5,534)
Other advances	(2,194)	(291)
Pension and OPEB contributions	(1,486)	(1,186)
Regulatory asset - RDM collected	9,492	3,693
Regulatory asset - storm	6,462	7,301
Regulatory asset - SIR	(1,555)	338
Regulatory asset - Arrears Management Program	1,844	1,986
Regulatory asset - uncollectible write-offs	(5,445)	(11,728)
Regulatory liability - energy efficiency ("EE") programs including Clean Energy Fund	12,135	10,284
Regulatory asset - Rate Adjustment Mechanism ("RAM")	(5)	7,668
Regulatory asset - deferred electric and natural gas costs	(5,533)	(13,797)
Other, net	(3,829)	11,806
Net cash provided by operating activities	\$ 142,319	\$ 149,460
Investing Activities:		
Additions to utility plant	(151,899)	(148,570)
Other, net	1,687	1,247
Net cash used in investing activities	\$ (150,212)	\$ (147,323)
Financing Activities:		
Repayment of long-term debt	—	(20,000)
Proceeds from issuance of long-term debt	70,000	70,000
Net change in short-term borrowings	(60,000)	(70,000)
Capital contribution	—	26,500
Dividends paid to parent - CH Energy Group	(5,000)	(2,000)
Other, net	(394)	(404)
Net cash provided by financing activities	\$ 4,606	\$ 4,096
Net Change in Cash, Cash Equivalents, and Restricted Cash	(3,287)	6,233
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	20,021	10,455
Cash, Cash Equivalents, and Restricted Cash at End of Period	<u>\$ 16,734</u>	<u>\$ 16,688</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid, net of amounts capitalized	\$ 34,114	\$ 31,060
Non-Cash Investing Activities:		
Accrued capital expenditures	\$ 22,287	\$ 26,459

The accompanying notes are an integral part of these condensed financial statements

CENTRAL HUDSON
CONDENSED BALANCE SHEETS (UNAUDITED)

(In Thousands)

	June 30, 2026	December 31, 2025
ASSETS		
Utility Plant, Net	\$ 3,174,973	\$ 3,084,414
Non-Utility Property & Plant, Net	524	524
Current Assets		
Cash and cash equivalents (Note 1)	15,011	19,298
Accounts receivable from customers, net	202,237	184,080
Accrued unbilled utility revenues, net	24,627	41,520
Other receivables	17,388	19,540
Insurance receivable	107,407	—
Fuel, materials, and supplies (Note 1)	32,549	34,532
Regulatory assets (Note 3)	157,789	136,063
Income tax receivable	259	—
Fair value of derivative instruments (Note 10)	1,321	7,228
Special deposits and prepayments	27,467	39,691
Total Current Assets	\$ 586,055	\$ 481,952
Deferred Charges and Other Assets		
Regulatory assets (Note 3)	210,298	235,170
Prefunded pension and OPEB costs (Note 8)	301,659	295,176
Other investments (Note 11)	43,286	42,242
Deferred payment agreements, net	43,539	54,831
Other	19,000	14,540
Total Deferred Charges and Other Assets	\$ 617,782	\$ 641,959
Total Assets	\$ 4,379,334	\$ 4,208,849

The accompanying notes are an integral part of these condensed financial statements

CENTRAL HUDSON
CONDENSED BALANCE SHEETS (CONT'D) (UNAUDITED)

(Dollars in Thousands)

	June 30, 2026	December 31, 2025
CAPITALIZATION AND LIABILITIES		
Capitalization (Note 6)		
Common stock (30,000,000 shares authorized: \$5 par value; 16,862,087 shares issued and outstanding)	\$ 84,311	\$ 84,311
Paid-in capital	412,952	412,952
Accumulated OCI	193	192
Retained earnings	998,592	929,639
Capital stock expense	(4,633)	(4,633)
Total Equity	<u>\$ 1,491,415</u>	<u>\$ 1,422,461</u>
Long-term Debt (Note 7)		
Principal amount	1,469,700	1,449,700
Unamortized debt issuance costs	(6,438)	(6,407)
Net long-term debt	<u>\$ 1,463,262</u>	<u>\$ 1,443,293</u>
Total Capitalization	<u>\$ 2,954,677</u>	<u>\$ 2,865,754</u>
Current Liabilities		
Current maturities of long-term debt (Note 7)	100,000	50,000
Short-term borrowings (Note 5)	—	60,000
Accounts payable	80,747	100,029
Accrued interest	16,573	15,796
Accrued vacation and payroll	15,906	10,821
Customer advances	11,122	12,444
Customer deposits	6,680	6,104
Regulatory liabilities (Note 3)	61,332	72,829
Fair value of derivative instruments (Note 10)	3,835	3,398
Accrued environmental remediation costs (Note 9)	3,616	1,479
Other advances	8,945	11,139
Litigation contingencies	105,000	—
Other current liabilities	27,249	35,076
Total Current Liabilities	<u>\$ 441,005</u>	<u>\$ 379,115</u>
Deferred Credits and Other Liabilities		
Regulatory liabilities (Note 3)	415,640	422,963
Accrued environmental remediation costs (Note 9)	71,025	71,381
Fair value of derivative instruments (Note 10)	2,001	—
Other liabilities	68,384	68,430
Total Deferred Credits and Other Liabilities	<u>\$ 557,050</u>	<u>\$ 562,774</u>
Accumulated Deferred Income Tax	426,602	401,206
Total Capitalization and Liabilities	<u><u>\$ 4,379,334</u></u>	<u><u>\$ 4,208,849</u></u>

The accompanying notes are an integral part of these condensed financial statements

CENTRAL HUDSON
CONDENSED STATEMENTS OF EQUITY (UNAUDITED)

(Dollars in Thousands)

Six Months Ended June 30, 2026							
	<u>Common Stock</u>		Paid-In Capital	Capital Stock Expense	Retained Earnings	Accumulated OCI	Total Equity
	Shares Issued	Amount					
Balance at December 31, 2025	16,862,087	\$ 84,311	\$412,952	\$ (4,633)	\$ 929,639	\$ 192	\$1,422,461
Net income					56,933		56,933
Employee future benefits, net of tax						1	1
Dividends Declared on Common Stock					(5,000)		(5,000)
Balance at March 31, 2026	<u>16,862,087</u>	<u>\$ 84,311</u>	<u>\$412,952</u>	<u>\$ (4,633)</u>	<u>\$ 981,572</u>	<u>\$ 193</u>	<u>\$1,474,395</u>
Net income					17,020		17,020
Balance at June 30, 2026	<u>16,862,087</u>	<u>\$ 84,311</u>	<u>\$412,952</u>	<u>\$ (4,633)</u>	<u>\$ 998,592</u>	<u>\$ 193</u>	<u>\$1,491,415</u>

Six Months Ended June 30, 2025							
	<u>Common Stock</u>		Paid-In Capital	Capital Stock Expense	Retained Earnings	Accumulated OCI	Total Equity
	Shares Issued	Amount					
Balance at December 31, 2024	16,862,087	\$ 84,311	\$386,452	\$ (4,633)	\$ 816,408	\$ 198	\$1,282,736
Net income					45,099		45,099
Balance at March 31, 2025	<u>16,862,087</u>	<u>\$ 84,311</u>	<u>\$386,452</u>	<u>\$ (4,633)</u>	<u>\$ 861,507</u>	<u>\$ 198</u>	<u>\$1,327,835</u>
Net income					17,347		17,347
Capital contributions			26,500				26,500
Dividends declared on common stock					(2,000)		(2,000)
Balance at June 30, 2025	<u>16,862,087</u>	<u>\$ 84,311</u>	<u>\$412,952</u>	<u>\$ (4,633)</u>	<u>\$ 876,854</u>	<u>\$ 198</u>	<u>\$1,369,682</u>

The accompanying notes are an integral part of these condensed financial statements

NOTE 1 – Summary of Significant Accounting Policies**Corporate Structure**

Central Hudson is a NYS regulated electric and natural gas transmission and distribution utility. Central Hudson is a subsidiary of CH Energy Group and an indirect wholly-owned subsidiary of Fortis, which is a leader in the North American regulated electric and natural gas utility market.

Basis of Presentation

The accompanying unaudited condensed financial statements for the interim periods presented have been prepared in accordance with accounting principles generally accepted in the United States of America. The interim condensed financial statements do not contain all the information and note disclosures required in the annual financial statements and should be read in conjunction with the December 31, 2025 audited financial statements.

Financial results for interim periods are not necessarily indicative of annual results due to the impacts of seasonal weather conditions on customer demands.

Restricted Cash

Restricted cash as of June 30, 2026 and 2025 primarily consisted of cash held in escrow as security deposits from companies attaching other utilities to Central Hudson-owned poles.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported on the Condensed Balance Sheets that sum to the total of the same such amounts shown in the corresponding Condensed Statements of Cash Flow (In Thousands):

	June 30, 2026	June 30, 2025
Cash and Cash Equivalents	\$ 15,011	\$ 15,965
Restricted cash included in other long-term assets	1,723	723
Total Cash, Cash Equivalents, and Restricted Cash as shown in the Condensed Statements of Cash Flow	<u>\$ 16,734</u>	<u>\$ 16,688</u>

Fuel, Materials, and Supplies

Fuel, materials, and supplies include fuel used in electricity generation, as well as inventory that is recorded at the time of purchase and subsequently expensed or capitalized to property, plant, and equipment, as appropriate. These items are carried at weighted average cost.

Central Hudson entered into an Asset Management Agreement with a third party related to its natural gas transport and storage capacity. Central Hudson continues to make purchases of natural gas in advance of the peak winter season to hedge against price volatility for its customers. However, based on the terms of the agreement, the third party will maintain control and title over the physical natural gas in storage until the end of the contract term. Amounts related to the Asset Management Agreement are recorded in “Special deposits and prepayments” in the Condensed Balance Sheets.

Reclassification

Certain line-item reclassifications may be made to prior year amounts to conform with current year presentation. These reclassifications have no impact on Central Hudson's results of operations, financial conditions, or cash flow.

NOTE 2 – Revenues and Receivables

The following summary represents operating revenues disaggregated by segment and revenue source (In Thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Electric:				
Revenues from contracts with customers (ASC 606)	\$ 234,528	\$ 197,881	\$ 527,093	\$ 435,533
Alternative revenues (Non ASC 606)	(535)	9,284	(11,356)	1,736
Other revenue ⁽¹⁾	5,487	1,453	12,767	1,567
Total Operating Revenues Electric	\$ 239,480	\$ 208,618	\$ 528,504	\$ 438,836
Natural Gas:				
Revenues from contracts with customers (ASC 606)	\$ 46,935	\$ 39,234	\$ 171,099	\$ 142,224
Alternative revenues (Non ASC 606)	3,090	1,800	441	1,460
Other revenue ⁽¹⁾	267	883	2,720	(2,217)
Total Operating Revenues Natural Gas	\$ 50,292	\$ 41,917	\$ 174,260	\$ 141,467

⁽¹⁾ Other revenue include both ASC 606 and Non ASC 606 revenues.

Allowance for Uncollectible Accounts

Accounts receivable are recorded net of an allowance for estimated future uncollectible accounts based on the allowance for credit losses model. A summary of all changes in the allowance for uncollectible accounts receivable, accrued unbilled utility revenue, and deferred payment agreement balances is as follows (In Thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Balance at Beginning of Period	\$ (20,200)	\$ (11,900)	\$ (20,200)	\$ (11,900)
Write-offs, net	10,987	9,951	17,859	16,255
Uncollectible expense	(4,695)	(1,955)	(12,062)	(4,527)
Uncollectible expense deferred ⁽¹⁾	(6,292)	(7,996)	(5,797)	(11,728)
Balance at End of Period	\$ (20,200)	\$ (11,900)	\$ (20,200)	\$ (11,900)

⁽¹⁾ Central Hudson is authorized to defer any over or under collection of bad debt write-offs and its estimate of expense for future uncollectible accounts. The remaining deferred expenses relate to the current period changes in the allowance for uncollectible and write-offs as compared to rates.

Central Hudson's collections processes, including customer disconnects, finance charges, and its arrears reduction and prevention programs, have contributed to improved collections performance and a higher number of customers participating in deferred payment arrangements. As of June 30, 2026, the deferred payment arrangements totaled \$65.7 million. The long-term portion is included in the "Deferred Charges and Other Assets" section of the Condensed Balance Sheets.

Management conducted quantitative and qualitative assessments of the allowance for uncollectible accounts as of June 30, 2026, including consideration of the differences in the current arrears and payment behaviors compared

to historical trends, economic factors, and collection success. Based on analysis performed, management concluded that the reserve of \$20.2 million was reflective of the expected credit losses as of June 30, 2026.

NOTE 3 – Regulatory Matters

Summary of Regulatory Assets and Liabilities

Based on previous, existing, or expected regulatory orders or decisions, the following table sets forth amounts that are expected to be recovered from or refunded to customers in future periods (In Thousands):

	June 30, 2026	December 31, 2025
Regulatory Assets:		
Deferred purchased electric and natural gas costs	\$ 48,526	\$ 42,993
Deferred unrealized losses on derivatives - electric and natural gas (Note 10)	5,836	3,398
RDM and carrying charges - electric and natural gas	12,547	14,350
RAM and carrying charges - electric and natural gas	20,205	17,822
Electric vehicle make ready program and carrying charges	18,719	16,502
Deferred vacation pay accrual	12,819	9,494
EE programs and carrying charges ⁽²⁾	5,223	21,026
Arrears Management Program and carrying charges	12,804	14,763
Uncollectible write-offs and carrying charges	11,043	13,941
Allowance for uncollectible accounts	20,200	20,200
Deferred storm costs and carrying charges	52,679	49,841
Deferred and accrued SIR costs and carrying charges (Note 9)	63,927	60,944
Income taxes recoverable through future rates	41,865	41,284
Tax reform - unprotected impacts	18,985	20,235
Other ⁽¹⁾	22,709	24,440
Total Regulatory Assets	\$ 368,087	\$ 371,233
Less: Current Portion of Regulatory Assets	\$ 157,789	\$ 136,063
Total Long-term Regulatory Assets	\$ 210,298	\$ 235,170
Regulatory Liabilities:		
Rate moderator and carrying charges - electric and natural gas	\$ 15,027	\$ 25,960
Deferred unrealized losses on derivatives - electric and natural gas (Note 10)	1,321	7,228
Clean energy fund and carrying charges	36,342	40,602
Customer benefit fund (Note 9)	5,000	5,000
Deferred pension costs (Note 8)	137,237	146,897
Deferred OPEB costs (Note 8)	37,280	39,983
Deferred removal costs	67,624	61,129
Income taxes refundable through future rates	12,533	12,715
Tax reform - protected deferred tax liability	135,212	135,957
Other ⁽¹⁾	29,396	20,321
Total Regulatory Liabilities	\$ 476,972	\$ 495,792
Less: Current Portion of Regulatory Liabilities	\$ 61,332	\$ 72,829
Total Long-term Regulatory Liabilities	\$ 415,640	\$ 422,963
Net Regulatory Liabilities	\$ (108,885)	\$ (124,559)

Notes to Quarterly Condensed Financial Statements (UNAUDITED)

⁽¹⁾ Other includes estimated netting on the balance sheet of certain regulatory asset carrying charges to be offset against regulatory liabilities and collected through Rate Case offset/RAM.

⁽²⁾ Includes deferrals authorized in PSC Orders 25-M-0248 and 25-M-0249 for low to moderate income EE and Building Electrification portfolios, beginning January 1, 2026.

PSC Proceedings

2024 Rate Order / 2025 Rate Order

On July 18, 2024, the Commission issued the 2024 Rate Order, effective for one year with rates going into effect August 1, 2024, which contained a make-whole provision that provided new rates effective retroactive to July 1, 2024.

On August 14, 2025, the Commission issued its Order Adopting Terms of a Joint Proposal and Establishing Electric and Gas Rate Plans. The 2025 Rate Order was effective October 1, 2025 and includes a make-whole provision that provides new rates that became effective retroactive to July 1, 2025, with Rate Year (“RY”) RY1, RY2, and RY3 defined as the twelve months ending June 30, 2026, June 30, 2027, and June 30, 2028, respectively.

A summary of the key terms of the 2025 and 2024 Rate Orders are as follows (Dollars in Millions):

	2025 Rate Order			2024 Rate Order
	<u>RY1</u>	<u>RY2</u>	<u>RY3</u>	<u>RY</u>
Electric delivery rate increase	\$46.4	\$30.7	\$21.7	\$74.4
Natural gas delivery rate increases	\$19.0	\$13.9	\$16.9	\$27.3
ROE	9.50%	9.50%	9.50%	9.50%
Earnings sharing	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	No
Capital structure – common equity	48%	48%	48%	48%
Bill credits - electric	\$16.7	\$15.8	\$3.0	\$16.4
Bill credits - natural gas	\$4.5	\$2.5	\$1.9	\$6.1
RDMs – electric and natural gas	Yes	Yes	Yes	Yes

⁽¹⁾ ROE > 10.0% and up to 10.5%, is shared 50% to customers, > 10.5% and up to 11.0%, is shared 75% to customers, and > 11.0% is shared 90% to customers.

The 2025 Rate Order utilizes existing regulatory balances to reduce bill impacts for customers during the term of the agreement. The total electric revenue increase, after bill credits, is 2.9% for RY1 and RY2 and 3.0% for RY3. The total natural gas revenue increase, after bill credits, is 5.4%, 5.6%, and 5.8% for RY1, RY2, and RY3, respectively.

In May 2026, the Company was named as a necessary party in an Article 78 proceeding commenced against the Commission seeking, among other relief, a court order vacating the 2025 Rate Order. The Company moved to dismiss the proceeding. We cannot predict the ultimate outcome or whether this proceeding would potentially impact Central Hudson in the future.

NOTE 4 – Income Tax

The combined effective tax rate is comparable for the three and six months ended June 30, 2026 and 2025. Both periods are lower than the statutory rate due to tax normalization rules and the timing of flow through tax items related to capital expenditures.

The following is a summary of Central Hudson's effective tax rates:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Effective tax rate - federal, net of federal benefit of state	18.8 %	18.4 %	17.9 %	18.0 %
Effective tax rate - state	6.0 %	5.8 %	6.3 %	5.7 %
Effective Tax Rate - Combined	24.8 %	24.2 %	24.2 %	23.7 %

NOTE 5 – Short-Term Borrowing Arrangements

Committed Credit Facilities

Central Hudson has a committed credit agreement with five commercial banks for an aggregate total commitment of \$250 million maturing in October 2029. Amounts borrowed under the revolving credit agreement are used for working capital needs and for general corporate purposes. Letters of credit are available up to an aggregate of \$20 million from four participating banks.

The credit agreement includes a covenant that Central Hudson's total funded debt to total capital will not exceed 0.65 to 1.00. Borrowing under the credit agreement is also subject to certain restrictions and conditions, including that there will be no event of default and, subject to certain exceptions, that Central Hudson will not sell, lien, or otherwise encumber its assets or enter into certain transactions, including certain transactions with affiliates. Central Hudson is also required to pay a commitment fee calculated at a rate determined based on the applicable Standard and Poor's Financial Services LLC or Moody's Investors Service, Inc. rating on the average daily unused portion of the credit facility. At June 30, 2026, Central Hudson was in compliance with all financial debt covenants in the credit agreement.

Uncommitted Credit

On May 12, 2026, Central Hudson entered into a \$30 million, short-term uncommitted credit agreement with a commercial bank not included in its current credit facility to provide additional liquidity to its existing portfolio. At June 30, 2026 and December 31, 2025, Central Hudson had \$90 million and \$60 million, respectively, in uncommitted short-term credit arrangements. These credit arrangements diversify sources of cash and provide competitive options to minimize the cost of short-term debt.

Balances outstanding under the various credit arrangements were as follows (Dollars in Thousands):

	June 30, 2026	December 31, 2025
Committed Credit	\$ —	\$ —
Uncommitted credit	—	60,000
Total	\$ —	\$ 60,000
Weighted Average Interest Rate	— %	4.77 %

NOTE 6 – Capitalization – Common and Preferred Stock**Common Stock Dividends**

The Federal Power Act limits the payment of annual dividends by Central Hudson to its retained earnings. More restrictive is the PSC's limit on the dividends Central Hudson may pay to CH Energy Group, which is 100% of the average annual income available for common stock, calculated on a two-year rolling average basis. Based on this calculation, Central Hudson was restricted to a maximum annual payment of dividends to CH Energy Group of \$135.0 million and \$96.9 million for the periods ended June 30, 2026 and 2025, respectively. Central Hudson's ability to pay dividends would be reduced to 75% of its average annual income in the event of a downgrade of its senior debt rating below BBB+ by more than one rating agency, if the stated reason for the downgrade is related to CH Energy Group or any of Central Hudson's other affiliates. Further restrictions are imposed for rating downgrades below this level. In addition, Central Hudson would not be allowed to pay dividends if its average common equity ratio for the 13 months prior to a proposed dividend was more than 200 basis points below the ratio used in setting rates. Central Hudson paid dividends of \$5.0 million and \$2.0 million to its parent CH Energy Group during the six months ended June 30, 2026 and 2025, respectively.

Preferred Stock

Other than one share of Junior Preferred Stock, Central Hudson had no outstanding preferred stock as of June 30, 2026 and December 31, 2025.

NOTE 7 – Capitalization – Long-Term Debt

As of June 30, 2026, Central Hudson was in compliance with all covenants under its long-term debt instruments. Most of these instruments are redeemable at the discretion of Central Hudson, at any time, at the greater of par or a specified price, as defined in the respective long-term debt agreements, together with accrued and unpaid interest.

On April 21, 2026, Central Hudson issued \$70 million in unsecured Senior Notes, with various interest rates and maturities. Central Hudson used the proceeds from the sale of the Senior Notes for general corporate purposes, including the repayment of short-term borrowings.

NOTE 8 – Post-Employment Benefits

Central Hudson has a non-contributory Retirement Plan covering substantially all its employees hired before January 1, 2008 or May 1, 2008, as applicable, and a non-qualified SERP for certain executives (collectively "Pension"). The Retirement Plan is a defined benefit plan, which provides pension benefits based on an employee's compensation and years of service. Central Hudson also provides certain health care and life insurance benefits for certain retired employees hired before January 1, 2008 or May 1, 2008, as applicable, through its post-employment benefit plans.

In its Orders, the PSC has authorized deferral accounting treatment for any variations between actual Pension and OPEB expense and the amount included in the current delivery rate structure. As a result, variations in expenses for post-employment benefit plans do not have any impact on earnings. The amounts reported as OCI, net of tax, relate to a former Central Hudson officer who transferred to an affiliated company. These amounts reported as OCI are charged to and reimbursed by the affiliated company.

The funded status includes the difference between the projected benefit obligation for the Retirement Plan and the market value of the pension assets. The SERP obligation of \$26.4 million at June 30, 2026 is reported under

Notes to Quarterly Condensed Financial Statements (UNAUDITED)

“Other liabilities” on the Condensed Balance Sheets. The funded status does not reflect approximately \$29.6 million of SERP trust assets at June 30, 2026 and December 31, 2025.

	Pension		OPEB	
	Three Months Ended		Three Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Components of Net Periodic Benefit:				
Service cost	\$ 1,321	\$ 1,438	\$ 227	\$ 223
Interest cost	7,941	7,771	1,390	1,365
Expected return on plan assets	(11,249)	(10,328)	(2,726)	(2,455)
Amortization of prior service cost (credit)	941	25	8	(102)
Amortization of recognized actuarial net gain	(6,236)	(4,989)	(1,631)	(1,404)
Net Periodic Benefit	\$ (7,282)	\$ (6,083)	\$ (2,732)	\$ (2,373)

	Pension		OPEB	
	Six Months Ended		Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Components of Net Periodic Benefit:				
Service cost	\$ 2,642	\$ 2,876	\$ 454	\$ 446
Interest cost	15,882	15,542	2,780	2,730
Expected return on plan assets	(22,498)	(20,656)	(5,452)	(4,910)
Amortization of prior service cost (credit)	1,882	50	16	(204)
Amortization of recognized actuarial net gain	(12,472)	(9,978)	(3,262)	(2,808)
Net Periodic Benefit	\$ (14,564)	\$ (12,166)	\$ (5,464)	\$ (4,746)

Other Retirement Savings Plans

Central Hudson sponsors a 401(k) retirement plan (“401(k) plan”) for its employees. The 401(k) plan provides for employee tax-deferred salary deductions for participating employees and employer matches. The matching benefit varies by employee group. Central Hudson also provides an additional contribution of 4% to the 401(k) plan of annualized base salary for eligible employees who do not qualify for the Retirement Plan. Central Hudson’s contributions for the three months ended June 30, 2026 and 2025 were \$3.8 million and \$3.2 million, respectively. For the six months ended June 30, 2026 and 2025, contributions were \$7.0 million and \$6.1 million, respectively.

NOTE 9 – Commitments and Contingencies

There were no significant changes in the nature and amounts of Central Hudson’s commitments from those disclosed in the 2025 audited financial statements, except as noted below.

Energy Credit Purchase Obligations

PSC Order 15-E-0302 outlines Load Serving Entity environmental obligation requirements for renewable energy credits and zero-emissions credits. Currently, Tier 3 zero-emissions credits and Tier 1 and Tier 4 renewable energy credits, which started on January 1, 2026, are applicable to Central Hudson and are “pay-as-you-go” based on the monthly full-service customer load volume, as defined by the NYISO. At June 30, 2026, Central Hudson’s forward Tier 1, Tier 3, and Tier 4 obligations were estimated to be approximately \$2.4 million, \$4.4 million, and \$1.2 million, respectively. These accrued costs are recoverable from full-service customers through the electric cost adjustment mechanism and, therefore, do not impact earnings.

Contingencies

Environmental Matters

Central Hudson accrues for remediation costs based on the amounts that can be reasonably estimated at a point in time. There are currently nine sites within Central Hudson's service territory that are in various stages of environmental SIR. SIR can be divided into various stages of completion based on the milestones of activities completed and reports reviewed.

The following is a summary of these stages, sites, and the costs accrued (In Millions):

Stage	Sites	Total Accrued Cost at June 30, 2026	Estimated Spend in the Next Twelve Months
Investigation ⁽¹⁾	Little Britain Road and Bayeaux Street	\$ 3.2	\$ 1.0
Remedial alternatives analysis ⁽²⁾	North Water Street	66.8	2.5
Post-remediation monitoring ⁽³⁾	Newburgh Areas A, B & C, Laurel Street, Catskill, Kingston, Eltings Corners, and Beacon	4.6	0.1
Total		<u>\$ 74.6</u>	<u>\$ 3.6</u>

⁽¹⁾ Investigation: Preliminary investigation with final approval by NYSDEC of a Remedial Investigation Report. Remediation activities by property owner at Bayeaux Street site are ongoing. Upon completion, additional monitoring and mitigation activities are expected to follow; however, no final remediation, monitoring, or mitigation plans have been approved by NYSDEC.

⁽²⁾ Remedial alternatives analysis: Engineering analysis of alternatives for remediation based on the Remedial Investigation Report compiled. Management accrues for an estimate based on NYSDEC approved methods, as well as an estimate of post-remediation operation, maintenance, and monitoring costs.

⁽³⁾ Post-remediation monitoring: Operation, maintenance, and monitoring costs as directed by the NYSDEC based on the approved final report of remediation. The extent of activities may vary based on the results of ongoing monitoring.

The spending related to SIR for the three and six months ended June 30, 2026 were \$1.4 million and \$1.5 million, respectively. The spending related to SIR for the three and six months ended 2025 was immaterial. There were no significant updates for contingencies related to environmental matters.

Future remediation activities, including operation, maintenance, monitoring, and related costs may vary significantly from the assumptions used in current cost estimates. These costs could have a material adverse effect (the extent of which cannot be reasonably determined) on the financial condition, results of operations, and cash flow if Central Hudson were unable to recover all or a substantial portion of these costs via collection in rates from customers. Central Hudson expects to recover remediation costs from customers, which include previously granted deferral authority and future recovery for the differences between actual environmental SIR costs, including both manufactured gas plants, non-manufactured gas plants, and the associated rate allowances, with carrying charges at the authorized pre-tax rate of return.

Litigation

Asbestos Litigation

Central Hudson is involved in various asbestos lawsuits. As of June 30, 2026, of the 3,392 asbestos cases brought against Central Hudson, 1,162 remain pending. Of the cases no longer pending, 2,063 have been dismissed or discontinued without payment and 167 cases have been settled. Central Hudson is unable to assess the validity of the remaining asbestos lawsuits; however, based on information known at this time, including Central Hudson's experience in settling asbestos cases and in obtaining dismissals of asbestos cases, Central Hudson believes that the costs which may be incurred in connection with the remaining lawsuits will not have a material adverse effect on the financial position, results of operations, or cash flow.

Other Litigation

On November 2, 2023, an explosion and fire occurred at a residence located in Wappingers Falls, New York, while a contractor was performing work for Central Hudson on its natural gas infrastructure adjacent to the residence. On August 14, 2025, the PSC approved a settlement reached by Central Hudson and the DPS, which resolved the PSC's investigation of the incident, under which Central Hudson agreed to create a \$5.0 million Customer Benefit Fund and a \$2.5 million Gas Safety Protocol Fund.

Lawsuits against Central Hudson and other parties, which seek damages for bodily injuries and property damage, and in some cases punitive damages, remain pending. Based on developments during the quarter ended March 31, 2026, including receipt and evaluation of plaintiffs alleged medical conditions and economic losses, Central Hudson estimated a range of potential outcomes arising from the lawsuits and recorded a \$50 million provision as of March 31, 2026, representing the low end of the range. Central Hudson also recorded an insurance receivable in the same amount as the Company believes insurance will satisfy the liability arising from the incident and related lawsuits.

During the quarter ended June 30, 2026, developments including court orders on issues relating to the scope of liability, insurance coverage and the structure of the trial, as well as the results of a mediation and subsequent settlement discussions with plaintiffs led Central Hudson to revise its analysis of the estimated range and timing of potential outcomes associated with these lawsuits. Accordingly Central Hudson recorded an increase to its litigation contingency provision of \$55 million in the second quarter of 2026. As a result, a total provision of \$105 million, representing the low end of the range of potential outcomes in the resolution of these matters, is reflected within "Current Assets" on Central Hudson's Condensed Balance Sheets as of June 30, 2026. Central Hudson also recorded a corresponding increase in the insurance receivable as the Company believes insurance will satisfy the liability arising from the incident and related lawsuits. A trial date for the lawsuits has been set for September 2026. The Company will continue to monitor developments in the lawsuits to determine whether an adjustment to the provision is necessary. Although future adjustments to the provision are reasonably possible, the Company does not believe at this time that any such adjustments would have a material adverse effect on the liquidity or financial position as Central Hudson expects such amounts to be covered by insurance.

NOTE 10 – Accounting for Derivative Instruments and Hedging Activities**Purpose of Derivatives**

Central Hudson enters into derivative contracts in conjunction with the Company's energy risk management program to hedge certain risk exposure related to its business operations. The derivative contracts are typically either exchange-traded or over-the-counter instruments and are entered into to manage commodity price risk and adverse or unexpected weather conditions, reducing the impact of volatility in the prices of electricity and natural gas. Derivative transactions are not used for speculative purposes.

Energy Contracts Subject to Regulatory Deferral

Central Hudson has been authorized to fully recover certain risk management costs through its electricity and natural gas cost adjustment mechanisms. Gains and losses associated with risk management instruments are included as part of Central Hudson's commodity cost and/or price-reconciled in its electricity and natural gas cost adjustment charge mechanisms and are not designated as hedges.

Notes to Quarterly Condensed Financial Statements (UNAUDITED)

The percentage of electric and natural gas requirements covered with fixed price forward purchases at June 30, 2026 are as follows:

	% of Requirement Hedged ⁽¹⁾
Electric Derivative Contracts:	0.91 million MWh
July 2026 - December 2026	34.0%
January 2027 - October 2027	15.6%
Natural Gas Derivative Contracts:	2.29 million dekatherm
November 2026 - December 2026	34.2%
January 2027 - March 2027	30.0%

⁽¹⁾ Projected coverage as of June 30, 2026.

Derivative Risks

To help limit the credit exposure of derivatives, Central Hudson enters into master netting agreements with counterparties whereby contracts in a gain position can be offset against contracts in a loss position. Of the 25 total agreements held by Central Hudson, 11 agreements contain credit risk contingent features. As of June 30, 2026, there were three open contracts with credit risk contingent features in a liability position and, if the contingent features were triggered, \$0.3 million would be required to settle these instruments.

Derivative Contracts

Central Hudson has elected gross presentation for its derivative contracts under master netting agreements and collateral positions. On June 30, 2026 and December 31, 2025, Central Hudson did not have collateral posted against the fair value amount of derivatives.

The net presentation of derivative assets and liabilities are as follows (In Thousands):

	Gross Amounts Recognized in the Condensed Balance Sheets	Gross Amounts Offset in the Condensed Balance Sheets	Net Amount Presented in the Condensed Balance Sheets	Gross Amounts Not Offset in the Condensed Balance Sheets			
				Financial Instruments	Cash Collateral Received	Net Amount	
As of June 30, 2026:							
Total Derivative Contracts Assets	\$ 1,321	\$ —	\$ 1,321	\$ 314	\$ —	\$ 1,007	
Total Derivative Contracts Liabilities	\$ 5,836	\$ —	\$ 5,836	\$ 314	\$ —	\$ 5,522	
As of December 31, 2025:							
Total Derivative Contracts Assets	\$ 7,228	\$ —	\$ 7,228	\$ 2,372	\$ —	\$ 4,856	
Total Derivative Contracts Liabilities	\$ 3,398	\$ —	\$ 3,398	\$ 2,372	\$ —	\$ 1,026	

Derivative contracts are measured at fair value on a recurring basis based on the fair value hierarchy, as prescribed by accounting guidance. Derivative assets and liabilities by category and hierarchy level are as follows (In Thousands):

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2026:				
Total Derivative Contracts Assets	\$ 1,321	\$ 16	\$ 1,305	\$ —
Total Derivative Contracts Liabilities	\$ 5,836	\$ 595	\$ 5,241	\$ —

As of December 31, 2025:

Total Derivative Contracts Assets	\$	7,228	\$	—	\$	7,228	\$	—
Total Derivative Contracts Liabilities	\$	3,398	\$	1,026	\$	2,372	\$	—

The Effect of Derivative Instruments on the Condensed Statements of Income

Realized gains and losses on Central Hudson's derivative instruments are returned to or recovered from customers through PSC authorized deferral accounting mechanisms, with no material impact on the financial position, results of operations, or cash flow.

The following table summarizes the effects of derivatives on the Condensed Statements of Income (In Thousands):

	Amount of Gain (Loss) Recognized as an Increase (Decrease) in the Condensed Statements of Income				Location of Gain (Loss)
	Three Months Ended June 30,		Six Months Ended June 30,		
	2026	2025	2026	2025	
Electricity Swap Contracts	\$ (6,447)	\$ (3,577)	\$ 25,306	\$ 14,820	Deferred purchased electric costs
Natural gas swap contracts	—	—	457	139	Deferred purchased natural gas costs
Total	\$ (6,447)	\$ (3,577)	\$ 25,763	\$ 14,959	

NOTE 11 – Other Fair Value Measurements

Other Assets Recorded at Fair Value

In addition to the derivatives reported at fair value discussed in Note 10 – “Accounting for Derivative Instruments and Hedging Activities,” Central Hudson reports certain other assets at fair value on the Condensed Balance Sheets. The following table summarizes the amounts reported at fair value related to these assets (In Thousands):

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2026:				
Other Investments	\$ 9,160	\$ 9,160	\$ —	\$ —
As of December 31, 2025:				
Other Investments	\$ 9,447	\$ 9,447	\$ —	\$ —

As of June 30, 2026 and December 31, 2025, a portion of the trust assets for the funding of the SERP and Deferred Compensation Plan were invested in mutual funds and money market accounts, which are measured at fair value on a recurring basis. These investments are valued at quoted market prices in active markets and, as such, are Level 1 investments as defined in the fair value hierarchy. These amounts are included in “Other investments” within the “Deferred Charges and Other Assets” section of the Condensed Balance Sheets.

The remaining amount reported in “Other investments” represent trust assets for the funding of the SERP and Deferred Compensation Plan held in trust-owned life insurance policies, which are recorded at cash surrender value. As of June 30, 2026 and December 31, 2025, the total cash surrender value of trust-owned life insurance held by these trusts was approximately \$34.1 million and \$32.8 million, respectively. The change in the cash surrender value is reported in “Other, net” within the “Other Income and Deductions” section of the Condensed Statements of Income.

Notes to Quarterly Condensed Financial Statements (UNAUDITED)

The following table discloses the estimated fair value of long-term debt, including the current maturities (Dollars in Thousands):

	June 30, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Total Fixed Rate Debt	\$ 1,569,700	\$ 1,399,253	\$ 1,499,700	\$ 1,351,164
Estimated Effective Interest Rate		4.62 %		4.57 %

NOTE 12 – Related Party Transactions

Thompson Hine LLP serves as outside counsel to Central Hudson. One partner in that firm serves as General Counsel and Corporate Secretary. For the three and six months ended June 30, 2026, Central Hudson paid approximately \$0.8 million and \$1.6 million in fees to Thompson Hine LLP and \$0.7 million and \$1.4 million, respectively, for the comparable periods in 2025.

Central Hudson may provide general and administrative services to and receive services from affiliates, including Fortis and other subsidiaries of Fortis. The costs of these services are reimbursed by the beneficiary company through accounts receivable and accounts payable, as necessary. In addition, Central Hudson may also incur charges from Fortis for federal income taxes under their tax sharing agreement. These transactions are in the normal course of business and are recorded at the U.S. dollar amounts. As of June 30, 2026 and December 31, 2025, intercompany payables were \$3.2 million and \$1.4 million, respectively.

Furthermore, Central Hudson performs work and incurs expenses on behalf of New York Transco, LLC, a company in which Central Hudson's parent corporation, CH Energy Group, has an equity interest through Central Hudson Electric Transmission LLC. Central Hudson bills for such work and expenses in accordance with established policies. For the three and six months ended June 30, 2026, these related party transactions were immaterial.

Related party transactions in operating expenses for Central Hudson are as follows (In Thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
CH Energy Group	\$ 3,532	\$ 2,647	\$ 5,571	\$ 4,587

NOTE 13 – Subsequent Events

An evaluation of subsequent events was completed through July 31, 2026, the date these Condensed Financial Statements were available to be issued to determine whether circumstances warranted recognition and disclosure of events or transactions in the Condensed Financial Statements as of June 30, 2026.

MANAGEMENT'S DISCUSSION and ANALYSIS of FINANCIAL CONDITION and RESULTS of OPERATIONS

For the Six Months Ended June 30, 2026

This information should be read in conjunction with the Quarterly Condensed Financial Statements and the notes contained herein, and the audited 2025 Annual Financial Report's financial statements, notes, and Management's Discussion and Analysis of Financial Condition and Results of Operations.

There have been no material changes to Central Hudson's mission and strategy, risk factors, summary of changes in accounting policies, and internal controls over financial reporting as set forth in its 2025 Annual Financial Report.

Financial Highlights

Period Ended June 30

	Quarter			Year to Date		
	2026	2025	Change	2026	2025	Change
Electricity Sales (gigawatt hours)	1,168	1,143	25	2,555	2,518	37
Natural Gas Sales (petajoules)	4.8	4.2	0.6	14.6	13.4	1.2
(In Millions):						
Revenues	\$ 289.8	\$ 250.5	\$ 39.3	\$ 702.8	\$ 580.3	\$ 122.5
Energy supply costs - matched to revenues	102.1	74.9	27.2	266.9	184.6	82.3
Operating expenses - matched to revenues	27.6	28.7	(1.1)	58.5	60.4	(1.9)
Operating expenses - other	102.5	91.6	10.9	209.8	188.8	21.0
Depreciation and amortization	31.0	27.6	3.4	61.6	55.4	6.2
Other income, net	13.8	11.6	2.2	27.9	24.1	3.8
Interest charges	17.8	16.5	1.3	36.3	33.4	2.9
Income taxes	5.6	5.5	0.1	23.6	19.4	4.2
Net Income	<u>\$ 17.0</u>	<u>\$ 17.3</u>	<u>\$ (0.3)</u>	<u>\$ 74.0</u>	<u>\$ 62.4</u>	<u>\$ 11.6</u>

Earnings: The second quarter earnings in 2026 were consistent with the prior year. Delivery rates approved by the PSC effective July 1, 2025 provided a return on rate base growth and recovery of increased operating costs as well as a shift in quarterly revenue. This shift resulted in lower revenues recognized in the second quarter and higher revenues in the first quarter of 2026 compared to 2025.

Electricity and Natural Gas Sales: Electricity sales increased quarter-over-quarter and year-over-year due to higher retail sales driven by weather. The quarter-over-quarter and year-over-year increase in natural gas sales was primarily due to higher consumption of one large interruptible customer and higher firm sales to electric generators. Fluctuations in sales do not impact earnings due to the RDM, which requires actual revenues billed above or below amounts approved in rates to be deferred for future return to or recovery from customers.

Revenues: The quarter-over-quarter and year-over-year increase in revenues is primarily driven by higher recovery of electric and natural gas commodity costs. Revenues also reflect higher delivery rates approved in the 2025 Rate Order, which included a shift in revenues recognized each quarter under the RDM. The impact of the RDM revenue shaping shifted a greater portion of annual revenues into the first quarter of 2026 and reduced revenues in the second quarter when compared to the same period in 2025.

Energy Supply Cost: Electric and natural gas supply costs increased quarter-over-quarter and year-over-year due to an increase in commodity prices and volumes. Energy supply cost fluctuations do not impact earnings due to the full deferral of commodity costs.

Operating Expenses - Other: The quarter-over-quarter and year-over-year increases in operating expenses reflect higher uncollectible expense, tree trimming, and labor related costs. The year-over-year increase was also impacted by increased property taxes and information technology-related costs as compared to 2025. These costs were lower than amounts provided for in delivery rates for the second quarter and year-to-date due to timing.

Depreciation and Amortization: The quarter-over-quarter and year-over-year increase in depreciation and amortization is the result of investments in Central Hudson's electric and natural gas infrastructure, information technology, and common facilities in accordance with its capital expenditure program and provided for in delivery rates.

Other Income, Net: The increase in other income for the second quarter and year-to-date as compared to 2025 is primarily attributable to a decrease in the non-service cost component of pension expense, which does not impact earnings due to the full deferral of pension costs.

Interest Charges: The quarter-over-quarter and year-over-year increase in interest charges is primarily driven by higher long-term debt outstanding to support Central Hudson's continued capital investment program.

Income Taxes: The year-over-year increase in income taxes is primarily attributable to an increase in pre-tax earnings.

Financial Position

Central Hudson

Significant Changes in the Condensed Balance Sheets

For the six months ended June 30, 2026

(In Millions)

	Increase (Decrease)	Explanation
Insurance receivable	\$ 107.4	Increase is driven by expected insurance recoveries related to injuries and property damage claims.
Regulatory assets - current	21.7	Increase is primarily driven by electric and natural gas costs incurred in excess of collections as well as an increase in current cost recovery provided for in the 2025 Rate Order.
Regulatory assets - long term	(24.9)	Decrease is primarily driven by the recovery of previously incurred costs, primarily associated with EE programs and uncollectible write offs.
Short-term borrowings	(60.0)	Decrease is related to the repayment of short-term borrowings.
Long term debt, including current maturities	70.0	Increase is due to issuances of long-term debt in 2026 to finance our capital program.
Litigation contingencies	105.0	Increase is related to expected payments due for pending litigation.
Accumulated deferred income taxes	25.4	Increase is primarily due to recognition of deferred taxes for the difference between tax and book basis of assets and liabilities for future return to or recovery from customers.

Liquidity and Capital Resources

Summary of Condensed Cash Flow

Period Ended June 30

(In Millions)

	Year to Date	
	2026	2025
Cash, Cash Equivalents, and Restricted Cash, Beginning of the Period	\$ 20.0	\$ 10.5
Operating activities	142.3	149.4
Investing activities	(150.2)	(147.3)
Financing activities	4.6	4.1
Cash, Cash Equivalents, and Restricted Cash, End of the Period	<u>\$ 16.7</u>	<u>\$ 16.7</u>

Operating Activities: The decrease in cash provided by operations in 2026 as compared to 2025 was attributable to higher working capital needs primarily driven by higher commodity costs and timing of payments for certain operating costs. The decrease was partially offset by an increase in the return on additional capital invested in the business provided through approved delivery rates.

Investing Activities: Central Hudson's investment through its capital program during 2026 included strengthening of existing electrical and natural gas infrastructure, increased resiliency and automation of distribution systems, additional cybersecurity and technology advancements as well as new common facilities. Capital spending for the year ending December 31, 2026 is expected to be consistent with the \$345 million spent in 2025.

Financing Activities: Cash provided by financing activities is comparable to the prior year.

Anticipated Sources and Uses of Cash

Central Hudson does not accumulate significant amounts of cash, but rather re-invests its earnings into capital investments. Additionally, Central Hudson will either receive capital contributions from CH Energy Group or distribute excess cash to CH Energy Group in the form of dividends to meet equity financing needs and manage the common equity ratio at the 48% level approved in delivery rates.

Central Hudson expects to fund growth in long-lived assets in a manner that maintains an equity ratio aligned with delivery rates. Central Hudson utilizes short-term debt available under credit facilities and uncommitted credit lines to fund seasonal and temporary variations in working capital requirements.

Cash from operations, funds obtained through its financing program, and equity support from its parent are utilized by Central Hudson to meet its working capital needs, fund its capital program, and meet its public service obligations.

Credit Ratings

Credit ratings impact Central Hudson's ability to access capital markets and borrowing costs.

	June 30, 2026		December 31, 2025	
	Rating ⁽¹⁾	Outlook	Rating ⁽¹⁾	Outlook
Standard and Poor's Financial Services LLC	BBB+	Stable	BBB+	Stable
Moody's Investors Service, Inc.	Baa1	Stable	Baa1	Stable
Fitch Ratings	BBB+	Stable	BBB+	Stable

⁽¹⁾ These senior unsecured debt ratings reflect only the views of the rating agency issuing the rating, are not recommendations to buy, sell, or hold securities of Central Hudson and may be subject to revision or withdrawal at any time by the agency issuing the rating. Each rating should be evaluated independently of any other rating.

In November 2025, Standard and Poor's Financial Services LLC returned the Company's credit outlook to stable with no change to Central Hudson's rating. In the Company's updated credit report issued January 12, 2026, Standard and Poor's Financial Services LLC cited a credit supportive Rate Case resolution in 2025 and improvement in credit metrics.

Regulatory Proceedings

There have been no material changes to regulatory proceedings disclosed in the 2025 Annual Financial Report; however, significant activity related to on-going and new proceedings in 2026 are noted below.

We cannot predict the ultimate outcome or whether these proceedings would potentially impact Central Hudson in the future. Should it become reasonably possible or probable in the future that a loss will be sustained from any of the below proceedings, disclosure that it is reasonably possible or an accrual of the probable amount of loss will be made consistent with our accounting policies.

Energy Affordability

On July 17, 2025, the PSC issued its Order Adopting Enhanced Energy Affordability Policy and Directing Utility Filings. The Order expanded the current low-income bill credit program to include additional tiers for moderate-income customers, defined as income below NYS's median income. The two-year pilot program began enrollment on January 13, 2026 and Central Hudson has approximately 1,800 customers enrolled in the program. This program operates with a separate budget from existing Energy Affordability Programs ("EAP"), mandates income verification and outreach programs, and sets discount levels such that participants will not exceed the 6% energy burden. DPS Staff estimates the combined cost of the EAPs for Central Hudson to be approximately 2.72% of annual revenue.

FERC Schedule 12 NYISO Open Access Transmission Tariff Audit

Central Hudson is currently subject to audit by the FERC under Docket No. FA2-1-000. The audit is ongoing and management does not expect its outcome to have a material impact on the Company's financial condition, results of operations, or cash flow.

Central Hudson Management and Operations Audit

On December 16, 2021, the Commission instituted its Order Initiating a Management & Operations Audit. The Company has completed implementation of all of those recommendations. On April 16, 2026, the DPS Staff filed a letter confirming the implementation plan close-out.

2027 NYS Enacted Budget Bill

The Fiscal Year 2027 NYS Enacted Budget Bill requires the PSC to implement additional customer protection measures in connection with utility rate cases. Among other provisions, the legislation directs the PSC to require utilities to present budget-constrained rate plan options, establish mechanisms linking executive compensation to affordability objectives and return to customers revenues earned in excess of the authorized rate of return. The PSC is expected to initiate one or more proceedings to evaluate and determine the implementation of these requirements. Management is still assessing the potential impact of these provisions and will continue to monitor developments as the PSC establishes an implementation framework. The 2027 NYS Budget also establishes a temporary Blue Ribbon Commission on Residential Affordability Through Energy Savings to examine the causes of rising utility costs and recommend reforms intended to improve energy affordability for New Yorkers.

Areas expected to receive particular attention include utility regulation, electricity commodity and market structures, electric generation ownership models, and other factors contributing to customer energy bills.

FORWARD-LOOKING STATEMENTS

Statements included in this Quarterly Condensed Financial Report, which are not historical in nature, are intended to be “forward-looking statements.” Forward-looking statements may be identified by words such as “anticipate(s),” “intend(s),” “estimate(s),” “believe(s),” “project(s),” “expect(s),” “plan(s),” “assume(s),” “seek(s),” and other similar words and expressions. Central Hudson is subject to risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements. The risks and uncertainties may include, but are not limited to, storm activity, a cyber-attack, poor operating performance, legislative, tax and regulatory developments, the outcome of litigations, and the resolution of current and future environmental and economic issues. Central Hudson undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.