

|                              |  |               |                    |      |      |      |      |      |      |      |      |      |                    |      |      |      |  |  |
|------------------------------|--|---------------|--------------------|------|------|------|------|------|------|------|------|------|--------------------|------|------|------|--|--|
| TIMELINESS 5 Lowered 6/11/99 | High: 24.1   | 24.9          | 29.0               | 31.3 | 35.8 | 30.4 | 31.9 | 31.5 | 43.9 | 47.1 | 45.0 | 33.1 | Target Price Range | 2003 | 2004 | 2005 |  |  |
| SAFETY 2 Raised 3/13/98      | Low: 20.4  | 20.0          | 22.6               | 25.9 | 28.4 | 22.9 | 25.4 | 28.8 | 29.8 | 38.9 | 30.6 | 26.1 | 80                 |      |      |      |  |  |
| TECHNICAL 4 Lowered 2/11/00  | LEGENDS<br>0.99 x Dividends p sh divided by Interest Rate Relative Price Strength<br>Options: No Shaded area indicates recession |               |                    |      |      |      |      |      |      |      |      |      | 60                 |      |      |      |  |  |
| BETA .50 (1.00 = Market)     | 2003-05 PROJECTIONS  |               |                    |      |      |      |      |      |      |      |      |      | 50                 |      |      |      |  |  |
|                              | Price  | Gain          | Ann'l Total Return |      |      |      |      |      |      |      |      |      |                    |      |      | 40   |  |  |
|                              | High 45 (+60%)   | Low 35 (+25%) | 18%                |      |      |      |      |      |      |      |      |      |                    |      |      | 24   |  |  |
|                              | Low 35 (+25%)  |               | 12%                |      |      |      |      |      |      |      |      |      |                    |      |      | 20   |  |  |

|                                   |  |  |  |  |  |  |  |  |  |  |  |  |                            |  |  |
|-----------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|----------------------------|--|--|
| Insider Decisions                 |  |  |  |  |  |  |  |  |  |  |  |  | % TOT. RETURN 1/00         |  |  |
| A M J J A S O N D                 |  |  |  |  |  |  |  |  |  |  |  |  | THIS STOCK VS. ARML. INDEX |  |  |
| to Buy 0 0 0 0 0 0 0 0 0 0 0 0 0  |  |  |  |  |  |  |  |  |  |  |  |  | 1 yr. -19.8 7.0            |  |  |
| Options 0 0 0 0 0 0 0 0 0 0 0 0 0 |  |  |  |  |  |  |  |  |  |  |  |  | 3 yr. 14.9 40.2            |  |  |
| to Sell 0 0 0 0 0 0 0 0 0 0 0 0 0 |  |  |  |  |  |  |  |  |  |  |  |  | 5 yr. 56.3 117.2           |  |  |
| Institutional Decisions           |  |  |  |  |  |  |  |  |  |  |  |  |                            |  |  |
| 101999 201999 301999              |  |  |  |  |  |  |  |  |  |  |  |  |                            |  |  |
| to Buy 52 44 41                   |  |  |  |  |  |  |  |  |  |  |  |  |                            |  |  |
| to Sell 34 46 42                  |  |  |  |  |  |  |  |  |  |  |  |  |                            |  |  |
| Hld'g (%) 6312 6473               |  |  |  |  |  |  |  |  |  |  |  |  |                            |  |  |
| Percent: 6.0                      |  |  |  |  |  |  |  |  |  |  |  |  |                            |  |  |
| shares: 4.0                       |  |  |  |  |  |  |  |  |  |  |  |  |                            |  |  |
| traded: 2.0                       |  |  |  |  |  |  |  |  |  |  |  |  |                            |  |  |

| 1984  | 1985  | 1986  | 1987  | 1988  | 1989  | 1990  | 1991  | 1992  | 1993  | 1994  | 1995  | 1996  | 1997  | 1998  | 1999  | 2000                                  | 2001  | VALUE LINE PUB. INC.  | 03-05                 |      |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------------------------------|-------|-----------------------|-----------------------|------|
| 47.53 | 41.81 | 31.09 | 29.88 | 30.10 | 31.88 | 33.68 | 31.38 | 32.66 | 30.52 | 29.91 | 29.28 | 29.28 | 30.11 | 29.86 | 30.95 | 32.00                                 | 32.90 | Revenues per sh       | 35.50                 |      |
| 6.17  | 6.50  | 6.02  | 4.60  | 4.80  | 4.66  | 5.11  | 4.99  | 5.22  | 5.23  | 5.25  | 5.33  | 5.69  | 5.80  | 5.83  | 5.95  | 6.15                                  | 6.40  | "Cash Flow" per sh    | 7.00                  |      |
| 4.43  | 4.67  | 4.49  | 2.66  | 2.63  | 2.28  | 2.38  | 2.40  | 2.55  | 2.68  | 2.68  | 2.74  | 2.99  | 2.97  | 2.90  | 2.88  | 2.97                                  | 3.05  | Earnings per sh A     | 3.25                  |      |
| 2.78  | 2.93  | 2.96  | 2.65  | 1.72  | 1.76  | 1.82  | 1.90  | 1.98  | 2.05  | 2.08  | 2.10  | 2.12  | 2.14  | 2.16  | 2.16  | 2.16                                  | 2.16  | Div'd Decl'd per sh B | 2.20                  |      |
| 10.20 | 10.76 | 12.14 | 6.67  | 3.61  | 2.79  | 3.29  | 4.44  | 3.81  | -3.13 | 3.37  | 2.87  | 2.84  | 2.54  | 2.71  | 3.00  | 2.95                                  | 2.85  | Cap'l Spending per sh | 3.25                  |      |
| 27.91 | 29.49 | 31.18 | 20.35 | 21.24 | 21.76 | 22.31 | 22.84 | 23.60 | 24.65 | 25.33 | 25.96 | 26.87 | 27.61 | 28.00 | 28.75 | 29.55                                 | 30.45 | Book Value per sh C   | 33.50                 |      |
| 11.01 | 12.07 | 14.11 | 14.36 | 14.56 | 14.74 | 14.95 | 15.77 | 16.03 | 16.95 | 17.24 | 17.50 | 17.56 | 17.28 | 16.86 | 16.86 | 16.86                                 | 16.86 | Common Shs Outst'g D  | 16.86                 |      |
| 4.6   | 5.8   | 7.4   | 9.5   | 7.6   | 9.8   | 9.5   | 10.7  | 11.2  | 12.2  | 10.0  | 10.2  | 10.1  | 11.5  | 14.6  | 13.5  | Bold figures are Value Line estimates |       |                       | Avg Ann'l P/E Ratio   | 12.5 |
| 4.3   | 4.7   | 5.0   | 6.4   | 6.3   | 7.4   | 7.1   | 6.8   | 6.8   | 7.2   | 6.6   | 6.8   | 6.3   | 6.6   | 7.6   | 7.7   |                                       |       |                       | Relative P/E Ratio    | .85  |
| 13.7% | 10.8% | 8.9%  | 10.5% | 8.6%  | 7.9%  | 8.1%  | 7.4%  | 6.9%  | 6.3%  | 7.8%  | 7.5%  | 7.0%  | 6.3%  | 5.1%  | 5.6%  |                                       |       |                       | Avg Ann'l Div'd Yield | 5.5% |

|  |  |  |  |  |  |  |  |  |  |  |  |  |                        |  |  |       |
|--|--|--|--|--|--|--|--|--|--|--|--|--|------------------------|--|--|-------|
| CAPITAL STRUCTURE as of 9/30/99  |  |  |  |  |  |  |  |  |  |  |  |  | Revenues (\$mill)      |  |  | 600   |
| Total Debt \$496.2 mill. Due in 5 Yrs \$229.6 mill.  |  |  |  |  |  |  |  |  |  |  |  |  | Net Profit (\$mill)    |  |  | 60.0  |
| LT Debt \$347.2 mill. LT Interest \$20.5 mill.   |  |  |  |  |  |  |  |  |  |  |  |  | Income Tax Rate        |  |  | 37.0% |
| (LT interest earned: 4.3%)   |  |  |  |  |  |  |  |  |  |  |  |  | AFUDC % to Net Profit  |  |  | 2.0%  |
| Pension Liability None   |  |  |  |  |  |  |  |  |  |  |  |  | Long-Term Debt Ratio   |  |  | 43.0% |
| Pfd Stock \$56.0 mill. Pfd Div'd \$3.2 mill.   |  |  |  |  |  |  |  |  |  |  |  |  | Common Equity Ratio    |  |  | 52.0% |
| 210,300 shs. 4 1/2% - 4.96% cum., \$100 par, redeemable at \$101-\$107/sh. 350,000 shs. 6.20% - 6.80% cum., subject to mandatory redemption after 10/1/03. |  |  |  |  |  |  |  |  |  |  |  |  | Total Capital (\$mill) |  |  | 1100  |
| Common Stock 16,862,087 shs.   |  |  |  |  |  |  |  |  |  |  |  |  | Net Plant (\$mill)     |  |  | 875   |
| MARKET CAP: \$475 million (Small Cap)  |  |  |  |  |  |  |  |  |  |  |  |  | Return on Total Cap'l  |  |  | 6.5%  |
| ELECTRIC OPERATING STATISTICS  |  |  |  |  |  |  |  |  |  |  |  |  | Return on Shr. Equity  |  |  | 9.5%  |
| 1996 1997 1998   |  |  |  |  |  |  |  |  |  |  |  |  | Return on Com Equity E |  |  | 9.5%  |
| % Change Retail Sales (KWH)  |  |  |  |  |  |  |  |  |  |  |  |  | All Div'ds to Net Prof |  |  | 70%   |
| Avg. Indust. Use (MWH)   |  |  |  |  |  |  |  |  |  |  |  |  |                        |  |  |       |
| Avg. Indust. Revs. per KWH (¢)   |  |  |  |  |  |  |  |  |  |  |  |  |                        |  |  |       |
| Capacity at Peak (Mw)  |  |  |  |  |  |  |  |  |  |  |  |  |                        |  |  |       |
| Peak Load, Summer (Mw)   |  |  |  |  |  |  |  |  |  |  |  |  |                        |  |  |       |
| Annual Load Factor (%)   |  |  |  |  |  |  |  |  |  |  |  |  |                        |  |  |       |
| % Change Customers (avg.)  |  |  |  |  |  |  |  |  |  |  |  |  |                        |  |  |       |

**BUSINESS:** CH Energy Group, Inc. is a holding company for Central Hudson Gas & Electric, which provides electricity (83% of revs.) and gas (17%) to the Mid-Hudson Valley region, encompassing a 2,600-sq.-mile area 25 mi. north of New York City and 10 mi. south of Albany. Electric rev. breakdown, '98: residential, 43%; commercial, 31%; industrial, 17%; other, 9%. IBM acct'd for 8% of '98 elec. revs. Generating sources, '98: coal, 40%; oil, 19%; nuclear, 10%; gas, 6%; hydro, 2%; purchased, 23%. Fuel costs: 34% of revs. '98 reported depr. rate: 3.2%. Has 1,150 employees, 21,400 com. stockholders. Chairman & CEO: Paul J. Ganci. President & COO: Carl E. Meyer, Inc. NY. Address: 284 South Ave., Poughkeepsie, NY 12601-4879. Tel.: 914-452-2000. Internet: www.cenhud.com

|                                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| ANNUAL RATES                          |  |  |  |  |  |  |  |  |  |  |  |  | Central Hudson Gas & Electric has formed a holding company CH Energy Group. The new corporate structure will enhance the company's financial flexibility and enable it to separate its regulated and nascent nonregulated operations more efficiently. That's important, as CH Energy increases its focus on nonutility activities.  |  |  |
| of change (per sh)                    |  |  |  |  |  |  |  |  |  |  |  |  | The company is about to begin the auction of its non-nuclear generating assets. (It is deciding what to do with its 9% stake in Nine Mile Point 2, a nuclear facility.) It will be able to retain up to \$18.5 million of any aftertax gain on the generation sale, which it will probably book over time, in accordance with whatever regulatory agreement is in place once the current order expires in mid-2001. The utility expects to file a regulatory proposal this August, which will determine how the outcome of the sale will be treated. An order is due by the time the current one expires.  |  |  |
| Revenues                              |  |  |  |  |  |  |  |  |  |  |  |  | Earnings should improve in 2000: Utility income might actually decline, as CH Energy has transferred some equity from its utility (which is still regulated on a return-on-equity basis) to its nonutility operations. CH Energy's nonregulated businesses should contribute to profits in 2000, which could bring corporate earnings to \$2.95-\$3.00 a share. (CH has stated an estimate of \$2.97 a share, which seems reasonable.) Earnings in 2001 will be influenced by the result of the generation sale and the new regulatory agreement, both of which are unknown now, so they could differ considerably from our estimate.  |  |  |
| "Cash Flow"                           |  |  |  |  |  |  |  |  |  |  |  |  | CH Energy stock has been very weak during the past six months, having declined some 35%. That's far worse than most utility issues have fared over that time, and it has occurred despite the absence of bad news. (The resumption of a stock-buyback program is possible.) Thus, we think the stock, though untimely, is attractive for its high yield, and (on a risk-adjusted basis) for its 3- to 5-year total-return potential (even if it might be awhile before the dividend is increased again). Finally, the possibility of a takeover remains, especially since the share price is depressed, although we don't recommend purchasing the stock solely for this reason. |  |  |
| Earnings                              |  |  |  |  |  |  |  |  |  |  |  |  | Paul E. Debbas, CFA March 10, 2000   |  |  |
| Dividends                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Book Value                            |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cal-endar                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| QUARTERLY REVENUES (\$ mill.)         |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Mar.31 Jun.30 Sep.30 Dec.31 Full Year |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1997 151.9 118.6 123.5 126.3 520.3    |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1998 143.9 112.1 125.7 121.8 503.5    |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1999 146.5 117.0 134.3 124.1 521.9    |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2000 160 120 130 130 540              |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2001 165 120 135 135 555              |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cal-endar                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| EARNINGS PER SHARE A                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Mar.31 Jun.30 Sep.30 Dec.31 Full Year |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1997 1.18 .55 .72 .52 2.97            |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1998 1.06 .54 .77 .53 2.90            |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1999 1.09 .51 .77 .51 2.88            |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2000 1.20 .50 .77 .50 2.97            |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2001 1.23 .51 .80 .51 3.05            |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cal-endar                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| QUARTERLY DIVIDENDS PAID B            |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Mar.31 Jun.30 Sep.30 Dec.31 Full Year |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1996 .525 .525 .53 .53 2.11           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1997 .53 .53 .535 .535 2.13           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1998 .535 .535 .54 .54 2.15           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1999 .54 .54 .54 .54 2.16             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2000 .54                              |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(A) Excl. nonrecurring gain (loss): '87, '91, '92, '10¢. Next earnings report due late April. (B) Next div'd meeting about March 24. Goes ex about April 6. Approximate div'd payment dates: 1st of Feb., May, Aug., Nov. = Div'd reinvestment plan available. (C) Incl. deferred charges. In '98: \$176.0 mill. \$10.44/sh. (D) In millions. (E) Rate base: Net original cost. Rate allowed on common equity in '98 (electric): 10.6%; in '96 (gas): 10.0%; earned on avg. com. eq. '98: 10.3%. Regulatory Climate: Average. Company's Financial Strength A Stock's Price Stability 100 Price Growth Persistence 20 Earnings Predictability 95 To subscribe call 1-800-833-0046.

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