

**CHARTER FOR THE
STRATEGY & FINANCE COMMITTEE
CH ENERGY GROUP, INC.**

PURPOSE:

The purpose of the Strategy & Finance Committee is to assist the Board of Directors in its oversight of the Company's strategic direction, business and financial planning, evaluation of contingencies, financing policies, and consistent implementation of action plans.

COMMITTEE MEMBERSHIP:

The Committee shall comprise at least three (3) Directors who qualify as Independent Directors under the listing standards of the New York Stock Exchange, and up to two management Directors.

The members of the Committee shall be appointed by the Board annually for terms of one (1) year, after receipt by the Board from the Governance and Nominating Committee of recommendations regarding persons to be appointed to the Committee.

The Chair of the Committee shall be appointed by the Board annually for a term of one (1) year, after receipt by the Board from the Governance and Nominating Committee of a recommendation regarding the person to be appointed as Chair of the Committee.

Each member of the Committee, including the Chair of the Committee, shall serve at the discretion of the Board.

MEETINGS:

The Committee shall meet at least three (3) times per year, and at such other times as it deems necessary to fulfill its duties.

A majority of the Committee members shall constitute a quorum.

Reports of Committee meetings and of any actions taken by the Committee shall be made by the Committee Chairman or his designee to the Board at its next regularly scheduled meeting following the Committee meeting or action.

AUTHORITY AND RESPONSIBILITY:

The Committee shall annually conduct a comprehensive review of the Company's strategic objectives and priorities, critical external and internal challenges and opportunities, framework for resource allocation decisions, and medium-term forecasts.

The Committee shall conduct a review of the Company's business plan for the subsequent year in the fourth quarter of the year.

The Committee shall following the completion of the first and second quarters conduct a review of the Company's performance against the business plan established for the year. The Committee shall incorporate its review of the third quarter into its review of the business plan for the subsequent year.

As required, the Committee shall review management proposals regarding new investments, planned divestitures, and financing decisions by the Company and its subsidiaries. By its approval and adoption of this Charter, the Board has delegated authority to the Committee to approve by unanimous vote investments and divestitures up to an amount of twenty five (25) million dollars per separate transaction, or up to such other amount as the Board may from time to time decide.

The Committee shall annually review and approve guidelines and policies for the financing of the Company and its subsidiaries, including risk/return criteria for investments.

The Committee shall annually review guidelines related to the responsibilities of the fiduciaries of the retirement plans established by the Company and its subsidiaries.

The Committee shall evaluate the Committee's performance and the performance of individual Committee members at least annually.

PROCEDURES:

In addition to the responsibilities and duties described in this Charter, the Committee shall undertake such other duties as the Board may from time to time delegate to it.

This Charter shall govern the operations and procedures of the Committee.

The Committee shall review and re-examine this Charter annually and make recommendations to the Board for any proposed changes.

Unless otherwise authorized by an amendment to this Charter, the Committee may not delegate any of its authority to any subcommittee. In accordance with Section 3.3 of the Company's By-Laws, the Committee may operate according to such procedures as it deems expedient for carrying out its responsibilities.