

March 28, 2008

Mr. Stan Plato
Chairman, Village of Walden Planning Board
Village of Walden Planning Board
1 Municipal Square
Walden, New York 12586

Dear Chairman Plato,

Re: *Central Hudson Gas & Electric Corporation
WM Transmission Line Rebuild Project
Special Exception Use Permit and Site Plan Application*

As you know, Central Hudson submitted its latest response to comments from the Village by letter dated February 28, 2008. In response to our request, Kevin Dowd graciously arranged for us to meet with you, Mr. Fitzsimmons and Mr. Dowd on March 25, 2008 to discuss the open issues in Central Hudson's pending applications before the Village Planning Board and issues related to the environmental review being led by the Town of Montgomery Planning Board under SEQRA. It is our understanding that one of the more significant concerns of both the Village and the Town relates to Right of Way (ROW) width and clearing and any resulting visual impact. In our February 28, 2008 submission and at our meeting, we described the necessity of utilizing a one hundred (100) foot wide easement. Given the size of certain trees in the proposed ROW and the desire to minimize the height of the poles (to minimize visual impact), it is imperative from a reliability perspective to remove species that could interfere with our transmission line. As we noted in our last response, since the blackout of August 2003, the PSC has directed regulated utilities such as Central Hudson to obtain adequate ROW to minimize the potential for reliability issues. This is not a situation where utilities have been directed to do so only if there have been a significant number of outages due to trees falling on lines. It is intended to be preventative and is prudent planning. However, to the extent practical, during construction it may be possible to leave certain low growing (desirable) species that will neither interfere with Central Hudson's ability to construct the line or maintain it once it is in service. At our meeting, we offered, as a condition of approval from the Village, to develop a map or plan that shows where certain low growing species are located on the proposed ROW and which will be saved. This would be submitted to the Building Department for approval prior to the issuance of a building permit.

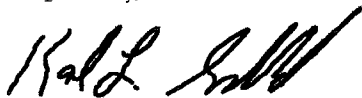
In addition, there was discussion about the potential visual impacts associated with a 100' ROW, particularly in the location of where new ROW will cross roads located in the Village (at Edmunds, Elm and Coldenham). You asked whether road screens could be established to minimize any visual impacts to vehicles or pedestrians passing by the ROW. We have subsequently contacted the NYS Department of Public Service (DPS) to confirm their opinion on whether such screens would be acceptable. After discussing some of the specifics with DPS Staff, Central Hudson is willing to install road screens of low growing tree or shrub species at the locations where new ROW crosses these roads. By low growing species, we mean trees or shrubs which would be about 5-6 feet in height, thus mitigating the impact associated with a cleared ROW on those passing the ROW in a vehicle or on foot.

284 South Avenue
Poughkeepsie, NY 12601
Phone: 845-486-5461
Fax: 845-486-5697
kschoeberl@cenhud.com

We think that given the design of the project and the significant use of existing ROW where possible, and with the additional mitigation offered with this letter, Central Hudson has demonstrated that, on balance, the action is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable.

Thank you again for meeting with us on March 25, and also agreeing to hold a joint public hearing with the Town of Montgomery Planning Board.

Respectfully,



Karl L. Schoeberl
Director, Environmental Affairs

cc: Jim Fitzsimmons
Dean Stickle
Kevin Dowd, Esq.
Town of Montgomery Planning Board (Sue Hadden, Secretary)
Richard Hoyt, Esq.
Michael Murphy (HDR)
Bryant Cocks (Garling Associates)