

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Central Hudson Gas and Electric Corporation
Cases 09-E-0588 & 09-G-0589
November 2009

Prepared Exhibits of:

STAFF FORECASTING PANEL

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Central Hudson Gas and Electric
Interrogatory Responses Used in Direct Testimony

DPS Request Number	Request Set	Request Date	Subject
24	DPS4	August 26, 2009	Assumed values for elasticities
25	DPS4	August 26, 2009	Forecast values for certain dummy variables
26	DPS4	August 26, 2009	9/06 & 10/06 industrial non-demand sales data
193	DPS13	September 23, 2009	Meter reading schedule revision effective 11/08

Central Hudson Gas & Electric Corporation
Case Nos. 09-E-0588 & 09-G-0589
Response to Staff Information Request No. 24

From: Stella
Requested of: Forecasting & Rates Panel
Date of Request: 8/26/2009

Stella: For Central Hudson's Forecasting & Rates Panel (Powers & Dittmar):

24 . In reference to page 17 of the Panel's direct testimony:

Identify which (if any) assigned values for elasticities differ from those values used to produce the Company's November 2008 forecasts for cases 08-E-0887 and 08-E-0888.

Response: The electric and gas forecasts supported by the Panel employ the same assigned values for elasticities as those utilized in the Company's November 2008 forecasts in Cases 08-E-0887 and 08-G-0888.

Date of Response: 9/1/2009

Response by: Forecasting & Rates Panel (Powers and Dittmar)

Central Hudson Gas & Electric Corporation
Case Nos. 09-E-0588 & 09-G-0589
Response to Staff Information Request No. 25

From: Stella
Requested of: Forecasting & Rates Panel
Date of Request: 8/26/2009

Stella: For Central Hudson's Forecasting & Rates Panel (Powers & Dittmar):

25. In reference to Exhibit FRP-4, Schedule A, sheet 1 of 6:

Based in effect on a single (January, 2009) observation, the Panel nullified the effect of the January monthly dummy variable in the forecast period; why did the Panel make this assumption instead of simply treating that particular monthly observation as an outlier?

Response: The Company has historically experienced a large number of 2.2 prorations, or customer months billed (i.e. bi-monthly customers read for a period greater than the typical 2-month cycle), in January as a result of a reduced number of business days during the November to January period due to the Company's holiday schedule. To address this issue, the Company revised its meter-reading schedules applicable to the period November 2008 through January 2009. It is the Company's expectation that this revised November – January meter-reading schedule will continue to be employed in the future. As a result, the January 2009 data observation is not an outlier, but reflects operational conditions that are expected to continue during the forecast (rate year) period and is therefore properly employed in the analysis.

Date of Response: 9/04/2009
Response by: Forecasting & Rates Panel (Powers and Dittmar)

Central Hudson Gas & Electric Corporation
Case Nos. 09-E-0588 & 09-G-0589
Response to Staff Information Request No. 26

From: Stella
Requested of: Forecasting & Rates Panel
Date of Request: 8/26/2009

Stella: For Central Hudson's Forecasting & Rates Panel (Powers & Dittmar):

26. In reference to Exhibit FRP-4, Schedule B, sheet 8 of 8:

a) Is the negative kWh sales number recorded for industrial non-demand customers in October, 2006, due solely to a billing adjustment for September, 2006?

Response: It appears the negative sales number of -779,199 kWh recorded in October 2006 was the result of a billing adjustment for one customer in the amount of 999,506 kWh which was over-billed in the prior month resulting in recorded sales of 1,195,890 kWh in September 2006.

b) If no, what is/are the other reason(s) for the negative sales number? If yes, why were the two corresponding month-specific dummy variables (Sep06 and Oct06) not constrained within the regression equation to sum to zero (and thus cancel each other out)?

Response: See response to (a) above. While it might be possible to constrain the two dummy variables to sum to zero, due to the interaction with other variables as well as the difference in sales per customer between September and October 2006, the two dummy variables would not necessarily be expected to cancel each other out within the regression.

Date of Response: 9/09/2009

Response by: Forecasting & Rates Panel (Powers and Dittmar)

Central Hudson Gas & Electric Corporation
Case Nos. 09-E-0588 & 09-G-0589
Response to Staff Information Request No. 193

From: Stella

Requested of: Forecasting & Rates Panel

Date of Request: 9/23/2009

Rider: For Central Hudson's Forecasting & Rates Panel (Powers & Dittmar):

193. Concerning the Company's response to DPS 25:

- a. Does the Company assign customer-months to the time (i.e., month) a meter is read, or for the time that meter is billed? What is the typical number of days lag between these two events?

Response: The Company assigns customer months to the time period between meter readings. There is typically a one business day lag between the date a meter is read and the date the bill is processed.

- b. Is it correct that even after the November 2008 - January 2009 change in the Company's meter reading schedule, a full-year, bimonthly-billed customer will continue to be billed for 12 customer-months over the course of a given rate year?

Response: The Company sends six bimonthly bills over the period of twelve months. Depending on the billing cycle and when meters are read, the number of days spanning the reading period will determine the number of customer months.

- c. Did the Panel do any econometric analyses of the effect of the change on total customer-months billed over the three-month period November 2008 – January 2009, either by rate class or overall? If yes, please provide a summary of the results.

Response: No.

- d. Regarding the effect of the changed meter reading schedule on the Company's customer billing patterns, specifically with reference to the customers who are presently read "on schedule" in November and December as a result of the change:

- i. Were such customers ever routinely billed "on schedule" based on estimated usage?

Response: The Panel has not done any analyses regarding the specific customers which were billed for 2.2 customer months in January. In addition, the Company's billing system only retains the most recent 24 months of meter readings. As a result, the Panel cannot determine whether individual customers were billed on schedule for prior meter readings.

Central Hudson Gas & Electric Corporation

Case Nos. 09-E-0588 & 09-G-0589

Response to Staff Information Request No. 193

- ii. Are such customers now typically billed in earlier months (i.e., in November and December as opposed to December and January) based on last-metered usage?

Response: The revision did not necessarily move customers billing cycles between months, but revised the number of days in which meters could be read so that meters were read on schedule.

Date of Response: 10/05/2009

Response by: Forecasting & Rates Panel (Powers and Dittmar)