

BEFORE THE  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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In the Matter of  
New York State Department of Public Service  
Cases 09-E-0588 and 09-G-0589  
November 2009

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Prepared Exhibits of:

Gas Rates Panel:

Mary Ann Sorrentino  
Utility Engineer III

Kevin Manz  
Utility Engineer II

Johanna Miller  
Utility Engineer I

Office of Electric, Gas and Water  
State of New York  
Department of Public Service  
Three Empire State Plaza  
Albany, New York 12223-1350

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 17

From: Sorrentino  
Requested of: Mosher  
Date of Request: 8/24/2009

**Sorrentino: For Central Hudson's Witness Mosher:**

17. Provide monthly data for and the actual gas loss factor (calculated consistent with Commission mandates) for the following periods:
- a. TME August 31, 2004
  - b. TME August 31, 2005
  - c. TME August 31, 2006
  - d. TME August 31, 2007
  - e. TME August 31, 2008

**Response:** The actual loss factor for the requested time periods is provided in the column titled '12 Month LAUF' in the accompanying Excel file titled "PSC IR 17.xls". The calculations provided consistently utilize the current methodology (all gas available less all metered dispositions) to develop actual losses, as compared to prior Commission-mandated methods utilized during certain prior annual reconciliations which had required Central Hudson to ignore certain metered dispositions.

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. 32

From: Sorrentino  
Requested of: Accounting Panel  
Date of Request: 8/28/2009

**Sorrentino: For Central Hudson Accounting Panel (Komar and Gescheidle)**

32. Regarding Exhibit \_\_\_(AP-8), please explain how projected capital additions of gas mains and services, projected cost of removal net of salvage, and projected retirements of gas mains and services were determined. Please provide all workpapers supporting this exhibit AP-8, including, but not limited to, calculations supporting the projected capital additions of gas mains and services, projected cost of removal net of salvage, and projected retirements of gas mains and services on a monthly basis for calendar year 2009, 2010 and 2011.

**Response:** Most of the workpapers employed by the Accounting panel have been previously provided on the CD delivered to Staff at the time of the filing. These work papers can be found in the portion of the CD related to Central Hudson's Net Plant Projection reports.

For 2009, Projected Capital Additions and Projected Retirements information can be found in "Netplant 2009 4 Month Actual 8 Mos Projection.xlw.xls", worksheet G Net Utility Plant, lines 29 and 44.

For 2010 information, see "Netplant 2010 Projection.xlw.xls", same worksheet name and line numbers.

For Rate Year ending 6/30/2011, see "RY 1 July 2010 – June 2011 Net Plant.xlw.xls", same worksheet name and lines 29 and 44.

The COR figures presented in Exhibit AP8 were based on the Company's Construction Forecast of Removal schedule prior to the austerity reductions that are applicable to the twelve months ending June 30, 2010. That schedule is attached to this response as CHGE Response to Staff IR32 - Forecast May 2009 Pre-Austerity.xls.

For the year 2009, add the expenditures for the Gas New Business and Dist. Improvements within the 2009 Approved Budget.

For the year 2010, add the expenditures for the Gas New Business and Dist. Improvements within the 2010 Proposed Budget (1<sup>st</sup> and 2<sup>nd</sup> Half).

For the year 2011, add the expenditures for the Gas New Business and Dist. Improvements within the 2010 Proposed Budget (2<sup>nd</sup> half) and take half of the Gas New Business and Dist. Improvements expenditures within the 2011 Proposed Budget.

Date of Response: 9/18/09  
Response by: Accounting Panel (Komar and Gescheidle)

**2010- 2014 Construction Forecast (\$000's)**  
**REMOVAL**  
(with inflation)

		Expenditures						2010-2014 Proposed Budget Total	
		2009 Approved Budget	2010 Proposed Budget (1 <sup>st</sup> Half)	2010 Proposed Budget (2 <sup>nd</sup> Half)	2011 Proposed Budget	2012 Proposed Budget	2013 Proposed Budget		2014 Proposed Budget
<b>ELECTRIC PROGRAM</b>									
Hydro & Gas Turbines	11	29	-	2	2	2	2	2	11
Transmission	12	1,290	639	786	1,469	1,623	1,441	1,161	7,118
Substations	13	839	308	544	880	718	1,183	692	4,325
New Business	14	170	85	85	175	180	185	190	900
Dist. Improvements	15	1,412	751	684	1,380	1,458	1,405	1,344	7,022
Transformers	16	180	90	90	215	220	225	230	1,070
Meters	17	6	3	3	10	10	10	10	46
Total Electric Program		3,926	1,875	2,195	4,131	4,212	4,451	3,628	20,492
<b>GAS PROGRAM</b>									
Production	21	46	4	82	21	16	43	22	187
Transmission	22	166	24	138	118	126	131	104	641
Regulator Stations	23	148	56	103	200	94	175	153	781
New Business	24	199	69	128	201	205	209	214	1,026
Dist. Improvements	25	831	291	475	864	875	869	873	4,247
Meters	27	51	25	25	10	10	11	11	93
Total Gas Program		1,441	470	951	1,414	1,326	1,437	1,378	6,976
<b>COMMON PROGRAM</b>									
Buildings	41	182	174	174	84	89	117	88	727
Buildings Minors		132	132	132	84	89	117	88	642
Kingston Headquarters		-	-	-	-	-	-	-	-
EC Garage		-	-	-	-	-	-	-	-
Fishkill Expansion		-	43	43	-	-	-	-	85
Energy Efficiency		50	-	-	-	-	-	-	-
South Road Renovations		-	-	-	-	-	-	-	-
Office Equipment	42	-	-	-	-	-	-	-	-
General		16	-	-	-	-	-	-	-
EDP		-	-	-	-	-	-	-	-
Software		-	-	-	-	-	-	-	-
Tools	43	-	-	-	-	-	-	-	-
Communication	44	16	15	15	22	22	21	22	117
Transportation	45	(260)	(253)	-	(257)	(262)	(268)	(274)	(1,315)
Total Common Program		(46)	(64)	189	(151)	(151)	(130)	(164)	(471)
<b>CORPORATE TOTAL</b>		5,321	2,281	3,335	5,394	5,387	5,758	4,841	26,996

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 76

From: Manz

Requested of: Haering and Accounting Panel

Date of Request: 9/8/2009

**Manz: For Central Hudson Witnesses Haering and Accounting Panel:**

76. Please provide a comparison of the forecasted budget expenditures, Board-approved expenditures, and actual construction expenditures on a monthly basis for calendar years 2004 through 2008 and 2009 to date.

- a) Please provide this information by category (i.e., Production, Transmission, Regulating Stations, New Business, etc.) and by PSC plant account number or subcategory in the same format as the company's workpapers for Net Plant Projections.

**Response:** Please see the attached excel work papers, Response to Staff IR 76 BOD Approved Expenditures (2004 through 2008 Forecasts were provided in the last rate case) and Response to Staff IR 76 Forecasted and Actual Expenditures (2004 through July 2008 data was provided in the last rate case). The Board of Directors will approve the 2010 Five Year Capital Forecast in either November or December 2009.

Date of Response: 9/24/09

Response by: Haering and Accounting Panel (Komar and Gescheidle)

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 129

From: Summa  
Requested of: Revenue Requirement Panel  
Date of Request: 9/14/09

**Summa: For Central Hudson's Revenue Requirement Panel**

- 129) For the Gas Operations, please provide an explanation and documentation to support the excess cost of removal projections for June 30, 2012 and June 30, 2013 contained in the workpaper labeled "Excess Cost of Removal of Gas Mains and Services".xls.

**Response:** The Capital Additions, Cost of Removal, Salvage and Retirements for Gas Mains and Services come from the attached documents labeled "ADFACT – 2011 Projection".xls, "ADFACT – 2012 Projection".xls and "ADFACT – 2013 Projection".xls. The data for the period ending 6/30/12, found in the work paper labeled "Excess Cost of Removal of Gas Mains and Services".xls, are created by taking the monthly data, July – December, within the "ADFACT – 2011 Projection".xls and by taking the monthly data, January – June, within the "ADFACT – 2012 Projection".xls. The data for the period ending 6/30/2013 can be calculated similarly by using the "ADFACT – 2012 Projections". xls and the "ADFACT – 2013 Projections".xls. The monthly data to use within the ADFACT documents to calculate the rate year's can be found starting at cell A503.

Ratios, based on a 3-year historical average for calendar years 2006, 7 and 8, are developed within the ADFACT documents and are used to project the Additions, Cost of Removal, Salvage and Retirements. Below explains how the numbers were developed:

The Projected Capital Additions of Gas Mains and Services are calculated based on the ratio of the 3-year historical average of actual additions to actual available charges. This ratio is multiplied by the sum of the CWIP Balance at Jan 1 and the Total Expenditures for the year to come up with the projected additions.

The Projected Retirements are calculated based on the ratio of the 3-year historical average of retirements to the 3-year historical average of additions. This ratio is multiplied by the projected additions to come up with the projected retirements.

The Projected Cost of Removal is calculated based on the ratio of the 3-year historical average of cost of removal to the 3-year historical average of retirements. This ratio is multiplied by the projected retirements to come up with the projected cost of removal.

Central Hudson Gas & Electric Corporation

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

Response to Staff Information Request No. 129

The Projected Salvage is calculated based on the ratio of the 3-year historical average of salvage cost to the 3-year historical average of retirements. This ratio is multiplied by the projected retirements to come up with the projected salvage.

Date of Response: 10/06/2009

Response by: Revenue Requirement Panel

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 200

From: Manz  
Requested of: Accounting Panel  
Date of Request: 9/23/2009

**Manz: For Central Hudson Witnesses Accounting Panel:**

200. Provide the depreciation factors and rates for each depreciable account that were used in calculating depreciation accruals for projected periods.

a) Please explain how the depreciation factors and rates are used to calculate specific accruals for each subcategory listed (i.e., Production, Storage, Transmission, Reg Station T&D, etc.), and show any calculation(s) used.

**Response:** The depreciation accruals for each gas category are calculated based on a composite rate. The composite rates are developed based on the actual depreciation rates that were approved in case 08-G-0888. The approved rates are applied to the actual plant balances for each account in a category in order to calculate the annual accrual by account. The total of the annual accruals in a category is divided by the total of the plant balances in a category to develop the annual composite rate by category. The annual composite rate by category is applied to the average of the beginning and ending plant balances to develop the annual depreciation accrual.

Please see the attached, Response to Staff IR 200 COMPRATE 2009 and Response to Staff IR 200 Deprec Expense Rate Case 2009.

Date of Response: 10/2/09  
Response by: Accounting Panel (Komar and Gescheidle)

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 219

From: Sorrentino  
Requested of: Accounting Panel  
Date of Request: 9/28/2009

**Sorrentino: For Central Hudson Accounting Panel**

219. Please refer to the response provided by Central Hudson to Staff IR DPS 32. The interrogatory asked how projected capital additions of gas mains and services, projected cost of removal net of salvage, and projected retirements of gas mains and services were determined. The Company provided the worksheets which show the projected capital additions of gas mains and services, projected cost of removal net of salvage, and projected retirements of gas mains and services, but the Company's response does not explain how the values were determined. Explain how the projected cost of removal net of salvage, and projected retirements of gas mains and services were determined.

**Response:** Please refer to the Company's response to IR 129 dated 10/6/09 for additional information explaining how the values are determined for projected capital additions, cost of removal, salvage and retirements of gas mains and services.

Date of Response: 10/08/09  
Response by: Accounting Panel

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 220

From: Sorrentino  
Requested of: Accounting Panel  
Date of Request: 9/28/2009

**Sorrentino: For Central Hudson Accounting Panel**

220. Provide the salvage study supporting the forecasts.
- a) For distributions mains account 376 provide a summary of book salvage. Include: retirements, gross cost of removal, gross salvage and net salvage (inclusive of portions expensed) for each year from 1969 – 2008. For the period 2003 – 2008 include the linear feet of annual retirements.
  
  - b) For distribution services account 380 provide a summary of book salvage. Include: retirements, gross cost of removal, gross salvage and net salvage (inclusive of portions expensed) for each year from 1969 – 2008. For the period 2003 – 2008 include the linear feet of annual retirements.

**Response:** Please refer to the Depreciation Study provided in Case Nos. 08-E-0887 & 08-G-0888 for the retirements, gross cost of removal, gross salvage and net salvage for account 376 and 380 for each year from 1969-2007. The Depreciation Study included the expensing portion of the cost of removal for all applicable years except for the years 2005-2007. The attached document "Excess COR Update.xls" was provided as Exhibit\_(AP-5R) in Case Nos. 08-E-0887 & 08-G-0888 and references the relevant expensing data, cost of removal, salvage and applicable adjustments for the years 2004-2008.

For 2008, account 376, the retirements were \$46,794.

For 2008, account 380, the retirements were \$241,112.

For the linear feet of annual retirements, account 376, 2003 through 2007, please refer to the response to Staff IR 96 from Case Nos. 08-E-0887 and 08-G-0888. For 2008, the linear feet of annual retirement of gas main is 29,583 linear feet.

For the linear feet of annual retirements, account 380, 2003 through 2007, please refer to the response to Staff IR 94 from Case Nos. 08-E-0887 and 08-G-0888. For 2008, the linear feet of annual retirement of gas service is 47,196 linear feet.

Date of Response: 10/13/09  
Response by: Accounting Panel

Central Hudson Gas & Electric Corp  
Cases 09-E-0588/ G-0589 Staff IR 200

	Depreciation Study Page #	Cost of Removal Used in Depreciation Study	Salvage Used in Depreciation Study	Add back: O&M expense transfer	Other Adjustments (see note)	Full Negative Net Salvage
<b>Gas Mains</b>						
2004	III-380	101,962	(12,332)	123,914	-	213,544
2005	III-380	273,614	(86,905)	87,152	-	273,861
2006	III-381	174,783	-	3,566	-	178,349
2007	III-381	344,734	(32,000)	-	-	312,734
2008		<u>228,058</u>	<u>(18,557)</u>	<u>-</u>	<u>-</u>	<u>209,501</u>
		1,123,151	(149,794)	214,632	-	1,187,989
<b>Five year Moving Avg</b>						
2004-2008	III-382	224,630	(29,959)	42,926	-	237,598
<b>Gas Services</b>						
2004	III-386	629,910	(29,136)	-	(294,229)	306,545
2005	III-386	132,793	(46,772)	274,476	-	360,497
2006	III-387	45,065	-	154,452	-	199,517
2007	III-387	359,509	(119,595)	230,600	-	470,514
2008		<u>428,801</u>	<u>(53,276)</u>	<u>235,600</u>	<u>-</u>	<u>611,125</u>
		1,596,078	(248,779)	895,128	(294,229)	1,948,198
<b>Five year Moving Avg</b>						
2004-2008	III-387	319,216	(49,756)	179,026	(58,846)	389,640
<b>Combined Gas Mains and Services</b>						
2004		731,872	(41,468)	123,914	(294,229)	520,089
2005		406,407	(133,677)	361,628	-	634,358
2006		219,848	-	158,018	-	377,866
2007		704,243	(151,595)	230,600	-	783,248
2008		<u>656,859</u>	<u>(71,833)</u>	<u>235,600</u>	<u>-</u>	<u>820,626</u>
		2,719,229	(398,573)	1,109,760	(294,229)	3,136,187
<b>Five year Moving Avg</b>						
2004-2008		543,846	(79,715)	221,952	(58,846)	627,237

NOTE: In the Depreciation Study, cost of removal for 2004 for gas services was intended to be grossed up for the amount that was transferred to expense. However, this component was added back twice in error. Adjustments necessary to correct duplicate add back of expense transfer. No other items affected.

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 307

From: Manz  
Requested of: Haering  
Date of Request: 10/14/2009

**Manz: For Central Hudson Witness Haering:**

307. Re: Gas Regulator Station Capital Forecast  
In your work papers, specifically relating to the Regulator Station Capital Budget for 2010 - 2013, there are various projects that involve the retirements and/or replacements of regulator stations. The justification for such projects refers to reductions in annual inspection and maintenance costs.
- a) For each of the calendar years 2010, 2011, 2012, and 2013, please quantify the reduction in the regulator operation and maintenance costs associated with the retirement and/or replacement projects in the respective calendar years.
  - b) Please explain how the reduction in operation and maintenance costs due to the projected completion of the projects referenced above was applied to the company's projection of operation and maintenance expenses for the rate year ending June 30, 2011.
  - c) Please provide a response to (b) for the rate years ending June 30, 2012 and June 30, 2013.

**Response:**

- a) a) Central Hudson has not quantified nor made any specific assumptions for reductions to annual maintenance costs associated with the retirement and/or replacement of regulator stations nor have we projected any increases in annual maintenance costs for newly installed stations or equipment that will now need to be inspected and maintained. The majority of the projects that refer to maintenance savings were the eight regulator stations being retired. This is a small percentage of the more than 300 regulators on the system that need to be inspected and maintained.
- b) Central Hudson has not made any specific adjustments to its operation and maintenance expenses due to the projected completion of the aforementioned regulator station projects.

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 307

c) Please see the response to section a).

Date of Response: 11/2/2009  
Response by: Haering

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 308

From: Manz  
Requested of: Haering  
Date of Request: 10/14/2009

**Manz: For Central Hudson Witness Haering:**

308. Re: Capital Budget Forecast  
Please provide the construction budget with the elimination of all nonessential capital expenditures from years 2010 and 2011. For purposes of this interrogatory, consider a “nonessential capital expenditure” to be one in which there would be no impact on safety or system reliability if such an expenditure was not made in the time frame referenced.

**Response:**

Central Hudson's only rate year is the twelve months ending June 30, 2011. The Company on an ongoing basis reevaluates the need and justification for the capital expenditures it recommends. On a comparative basis, adjusting for increased labor overheads, the Company's 2010-2014 capital forecast is \$62 million less than its 2009-2013 forecast.

With reference to that time period, Central Hudson's current capital and O&M forecasts in this case do not include all of the projects that Central Hudson believes are desirable from the standpoint of providing safe and adequate service. They include the projects that Central Hudson believes are desirable to complete from ratepayers' perspective, including considerations of costs of operation, reducing risks of service interruptions and reducing risks to the public, as has been discussed with several Staff representatives in a number of meetings and telephone discussions. Central Hudson considers all of the projects included in its capital program and O&M electric programs whether related to compliance with code or electric reliability requirements, infrastructure replacements, infrastructure enhancements or meeting forecasted growth in customers and/or loads, to be necessary to meet its public service responsibilities to provide safe and adequate service, based on the information known at this time. It is possible that as conditions change, some of the current projects may be deferred or cancelled and other projects may also become necessary to meet these responsibilities.

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 308

Recognizing that for a limited number of budget categories less detailed information has been developed for the twelve-month periods subsequent to the rate year, the same general observations remain applicable. There are more desirable projects than have been included in the forecasts for those time periods and the assumptions made for those time periods are subject to refinement as those years approach. In addition, the projects and programs are all related to tariff obligations, compliance with code or electric reliability requirements, required infrastructure replacements, infrastructure enhancements or meeting forecasted growth in customers and/or loads, and necessary planning for the company to meet its public service responsibilities to provide safe and adequate service, based on the information known at this time

Date of Response: 11/2/2009  
Response by: Haering

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 309

From: Manz  
Requested of: Revenue Requirements Panel  
Date of Request: 10/14/2009

**Manz: For Central Hudson Revenue Requirements Panel:**

**Re: Working Capital - Materials and Supplies**

- 309) Please provide the monthly Materials and Supplies reports for the period of January 2009 to date.

**Response:**

The Company sought clarification related to this question from Staff, which was responded to by Staff member Kevin Manz via e-mail on 10-15-09.

As a point of clarification, the requested monthly Materials and Supplies report was not included in the workpapers of the Revenue Requirements Panel that were hand delivered on July 31, 2009 to PSC Staff members C. Ruebens and D. Shabazian.

However, the Revenue Requirements Panel has learned that the Company's General Accounting division prepares the requested report and provides the report to Staff members Aferdita Barhdi, Daniel Wheeler and MaryAnn Sorrentino via e-mail on a monthly basis. Therefore, PSC Staff already has the requested monthly reports in their possession.

Please note that the requested reports are on a per books basis and were not relied upon by the Panel in the development of the projected working capital requirement on Material & Supplies inventory.

Date of Response: 10/16/2009  
Response by: Revenue Requirements Panel

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 345

From: Rider  
Requested of: Cost of Service Panel  
Date of Request: 10/20/2009

**Rider: For Central Hudson Cost of Service Panel (Witnesses Bunt and Guido):**

345. How does Central Hudson propose to collect delivery related advertising and promotions costs in the rate year?

**Response:** As indicated in the Panel's testimony on page 14, lines 14 through 19, four unbundled components common to both the electric and gas departments have been identified: procurement; credit & collections; bill printing, mailing and receipt services (BPRS); and, competitive energy services (CES).

For the gas department, the rate year COS reflects recovery of \$94,991 of costs (PSC accounts 909 – Informational and Instructional Expenses, 912 – Demonstrating and Selling Expenses and 916 – Miscellaneous Sales Expense) through base delivery rates and recovery of \$2,739 of costs (PSC account 912 – Demonstrating and Selling Expenses) through the MFC Supply Charge via an allocation to CES. See rows 296, 302 and 304 on the “functionalization” tab in “RY1gasCOS.xls”.

For the electric department, the rate year COS reflects recovery of \$125,210 of costs (PSC account 912 - Demonstrating and Selling Expenses) through base delivery rates and recovery of \$401,047 of costs (PSC accounts 912 – Demonstrating and Selling Expenses and 916 – Miscellaneous Sales Expense) through the MFC Supply Charge via an allocation to CES. See rows 289 and 291 on the “functionalization” tab in “RY1 elec COS.xls”.

After reviewing the difference between the electric and gas allocations for PSC account 916, it appears that these costs should be recovered through base delivery rates, as reflected in the gas COS, as they represent costs incurred to address delivery-related issues, including such issues as electric and gas safety, as requested by various agencies and entities.

Date of Response: 11/4/2009  
Response by: Cost of Service Panel (Bunt and Guido)

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 347

From: Rider  
Requested of: Cost of Service Panel  
Date of Request: 10/20/2009

**Rider: For Central Hudson Cost of Service Panel (Witnesses Bunt and Guido):**

347. Please calculate an MFC admin charge to collect commodity related credit and collections and an allocated portion of procurement related call center costs (remove delivery uncollectibles and delivery related credit and collections); provide a summary of the results in the same format as Exhibit \_\_\_\_ (COSP-2), Schedule C, Page 2 of 2.

**Response:** During a number of telephone discussions and in the cost of service reviews conducted on September 10, 2009 and October 7, 2009, Company representatives explained the procedures for making changes to the electronic files previously provided to Staff. Specifically, changes to O&M functionalization would be accomplished by:

1. Modifying the O&M functionalization, as desired, on the "900 combined" tab of the "07O&M.xls" file.
2. Updating the CUSTAC, CUSVCS2 and CUSVCS3 allocators on the "CUSTAC" and "CUSVCS" tabs in the "07O&M.xls" file to reflect changes made in No. 1 above.
3. Re-linking the "07ELECCOS.xls" file to reflect changes made in Nos. 1 and 2 above.
4. Re-linking the "RY1 O&M.xls" file to reflect changes made in Nos. 1, 2 and 3 above and also updating the "CUSTAC" and "CUSVCS" tabs in this file to reflect the same changes.
5. Re-linking the "RY1 elec COS.xls" file to reflect changes made in Nos. 1 through 4 above.

Cells B1177 through P1228 on the "allocation" tab of the "RY1 elec COS.xls" file present the requested summary of results in the same format as Exhibit \_\_\_\_ (COSP-2), Schedule C, Page 2 of 2. The studies requested by Staff would be better performed by Staff.

Date of Response: 10/30/2009  
Response by: Cost of Service Panel (Bunt and Guido)

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 348

From: Rider  
Requested of: Cost of Service Panel  
Date of Request: 10/20/2009

**Rider: For Central Hudson Cost of Service Panel (Witnesses Bunt and Guido):**

348. Please calculate an MFC supply charge to collect commodity purchasing and commodity related advertising and promotions costs, and an allocated portion of procurement related call center costs (remove commodity related credit and collections); provide a summary of the results in the same format as Exhibit \_\_\_(COSP-2), Schedule C, Page 2 of 2.

**Response:** During a number of telephone discussions and in the cost of service reviews conducted on September 10, 2009 and October 7, 2009, Company representatives explained the procedures for making changes to the electronic files previously provided to Staff. Specifically, changes to O&M functionalization would be accomplished by:

1. Modifying the O&M functionalization, as desired, on the "900 combined" tab of the "07O&M.xls" file.
2. Updating the CUSTAC, CUSVCS2 and CUSVCS3 allocators on the "CUSTAC" and "CUSVCS" tabs in the "07O&M.xls" file to reflect changes made in No. 1 above.
3. Re-linking the "07ELECCOS.xls" file to reflect changes made in Nos. 1 and 2 above.
4. Re-linking the "RY1 O&M.xls" file to reflect changes made in Nos. 1, 2 and 3 above and also updating the "CUSTAC" and "CUSVCS" tabs in this file to reflect the same changes.
5. Re-linking the "RY1 elec COS.xls" file to reflect changes made in Nos. 1 through 4 above.

Cells B1177 through P1228 on the "allocation" tab of the "RY1 elec COS.xls" file present the requested summary of results in the same format as Exhibit \_\_\_(COSP-2), Schedule C, Page 2 of 2. The studies requested by Staff would be better performed by Staff.

Date of Response: 10/30/2009  
Response by: Cost of Service Panel (Bunt and Guido)

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 373

From: Sorrentino  
Requested of: Forecasting & Rates Panel  
Date of Request: 10/27/2009

**Sorrentino: For Central Hudson Forecasting and Rates Panel (Witnesses Powers and Dittmar):**

373. Please explain why the customer counts in 2009 RC ResGasData.xls and 2009 RC ComIndGasData.xls (Customer tab) in aggregate do not match the customer counts as reported in the Bill Distribution Detail Reports in aggregate?

**Response:** The customer counts in 2009 RC ResGasData.xls, 2009 RC ComIndGasData.xls and the Bill Distribution Detail Reports represent customer months billed. Since customers can be billed for fractional months, but our reports aggregate customer months into whole numbers there is some rounding that occurs. The programs that aggregate customer months as utilized in the data files perform the rounding function differently from the programs that aggregate customer months for the Bill Distribution Detail Reports. It should be noted that for the period January 2006 through September 2009 the monthly difference between the total number of customer months utilized in the data files as compared to the Bill Distribution Detail Reports ranged from -0.437% to 0.675%, with an overall average of the monthly differences at 0.173%.

Date of Response: 11/05/09  
Response by: Forecasting & Rates Panel (Powers and Dittmar)

Central Hudson Gas and Electric Corporation  
Case 09-G-0589

Number of Customers Input into Customer Forecast Model

Number of Customers as Reported by the Billing System

	Residential Non Heat		Residential Heat		Commercial Non Heat		Commercial Heat		Industrial		Public Authorities		Forecast TOTAL	Residential		Non-Residential		Bill Summary TOTAL	Monthly Delta
	Sales	Transport	Sales	Transport	Sales	Transport	Sales	Transport	Sales	Transport	Sales	Transport		Heat	Non-Heat	Heat	Non-Heat		
Jan-06	9,465	164	48,505	3,063	961	97	7,181	910	291	17	662	30	71,346	9,648	51,618	1,120	8,989	71,374	(28)
Feb-06	10,685	252	48,843	4,685	1,139	117	7,692	958	265	18	703	32	75,389	10,913	53,469	1,325	9,550	75,257	132
Mar-06	8,890	280	44,847	4,971	959	104	6,897	1,030	273	18	657	33	68,959	9,136	49,782	1,134	8,799	68,851	108
Apr-06	10,519	307	48,138	5,204	1,136	122	7,526	1,016	268	16	693	33	74,978	10,810	53,229	1,324	9,437	74,800	178
May-06	8,794	254	44,307	4,839	897	114	6,660	1,086	268	21	645	33	67,918	8,983	48,952	1,081	8,594	67,610	308
Jun-06	10,415	310	48,495	5,151	1,136	143	7,534	1,076	263	19	695	33	75,270	10,691	53,497	1,347	9,507	75,043	227
Jul-06	8,695	246	44,441	4,789	877	127	6,729	1,188	267	18	658	32	68,067	8,921	49,223	1,083	8,779	68,007	60
Aug-06	10,515	300	48,402	5,083	1,118	149	7,304	1,089	250	18	665	35	74,928	10,783	53,378	1,330	9,247	74,738	190
Sep-06	8,453	239	44,327	4,841	859	129	6,563	1,180	266	21	649	33	67,560	8,652	49,008	1,054	8,598	67,311	249
Oct-06	10,536	297	48,886	5,017	1,135	154	7,376	1,219	270	22	710	35	75,657	10,816	53,833	1,358	9,517	75,524	133
Nov-06	8,541	245	44,647	4,734	863	145	6,432	1,210	258	21	630	25	67,751	8,724	49,232	1,070	8,474	67,500	251
Dec-06	10,398	347	49,399	4,718	1,153	148	7,511	1,238	261	22	716	34	75,945	10,696	53,930	1,388	9,661	75,674	271
Jan-07	8,710	280	46,305	4,379	899	145	6,846	1,288	265	22	654	31	69,824	9,038	50,920	1,143	8,967	70,068	(244)
Feb-07	10,542	349	50,748	4,662	1,111	154	7,655	1,230	254	22	721	32	77,480	10,942	55,511	1,379	9,760	77,591	(111)
Mar-07	8,673	295	46,034	4,440	881	151	6,879	1,305	266	21	693	28	69,666	8,967	50,504	1,153	9,020	69,644	22
Apr-07	10,429	391	50,789	4,779	1,088	153	7,625	1,248	262	21	701	38	77,524	10,808	55,602	1,357	9,721	77,489	35
May-07	8,387	321	45,130	4,525	849	151	6,614	1,258	247	20	640	48	68,190	8,643	49,503	1,111	8,653	67,910	280
Jun-07	10,257	423	50,374	4,810	1,117	152	7,531	1,245	259	20	691	42	76,921	10,651	55,107	1,388	9,622	76,767	154
Jul-07	8,395	327	45,691	4,560	836	158	6,634	1,359	245	22	637	50	68,914	8,719	50,164	1,115	8,769	68,766	148
Aug-07	10,217	403	50,321	4,814	1,080	162	7,339	1,344	255	19	688	43	76,685	10,615	55,074	1,555	9,520	76,763	(78)
Sep-07	8,446	347	45,514	4,525	844	157	6,543	1,343	242	23	636	55	68,675	8,713	49,883	1,118	8,665	68,380	295
Oct-07	10,114	468	50,767	4,920	1,130	172	7,443	1,393	249	23	694	44	77,417	10,552	55,570	1,418	9,682	77,222	195
Nov-07	8,204	373	45,125	4,594	825	166	6,354	1,435	241	25	626	55	68,023	8,496	49,467	1,107	8,555	67,624	399
Dec-07	10,221	513	51,267	5,107	1,159	185	7,601	1,562	261	27	722	56	78,681	10,746	56,405	1,480	10,053	78,683	(2)

2 year average = 132

Central Hudson Gas and Electric Corporation  
Case 09-G-0589  
Summary of Customers By Service Classification  
For the Twelve Months Ending June 30, 2011

UNADJUSTED	July	August	September	October	November	December	January	February	March	April	May	June	Average	% of TOTAL	Additional	Adjusted Average
Services Class 1 & 12 Heat	52,518.73	58,709.17	52,454.55	58,626.57	53,097.23	60,050.28	53,474.08	59,773.01	53,289.88	59,554.45	53,148.53	59,394.34	56,174	74%	98	56,272
Service Class 1 & 12 Non-Heat	8,266.38	9,850.91	8,236.46	9,812.54	8,313.09	10,032.32	8,341.40	9,935.46	8,281.73	9,858.18	8,234.34	9,798.19	9,080	12%	16	9,096
Service Class 2, 6 and 13 Commercial Heat	7,882.07	8,802.43	7,871.73	8,871.20	8,329.15	9,372.09	7,846.73	9,090.79	8,295.45	9,079.21	8,109.88	9,116.13	8,556	11%	15	8,570
Service Class 2, 6 and 13 Commercial Non-Heat	1,002.33	1,252.58	999.98	1,253.93	1,035.65	1,253.10	1,009.98	1,250.53	1,005.46	1,251.11	1,003.37	1,253.82	1,131	1%	2	1,133
Service Class 2, 6 and 13 Industrial Heat	230.42	228.47	229.80	229.06	234.33	234.02	237.44	229.99	241.28	235.20	233.07	229.78	233	0%	0	233
Service Class 2, 6 and 13 Industrial Non-Heat	23.18	24.74	23.03	23.65	24.80	26.87	23.74	25.24	24.48	25.38	23.67	25.47	25	0%	0	25
Service Class 2, 6 and 13 OPA Heat	597.52	625.02	598.29	645.19	605.82	640.97	600.95	640.61	622.53	647.44	601.62	625.44	621	1%	1	622
Service Class 2, 6 and 13 OPA Non-Heat	100.53	103.44	99.22	108.20	99.42	108.30	99.26	112.58	105.03	107.82	100.10	106.65	104	0%	0	104
													TOTAL	75,923		
													Additional Customers	132		

Central Hudson Gas and Electric Corporation  
Case 09-G-0589

Mcf's, Revenues, and Customer Counts  
For July 1, 2010 - June 30, 2011

<b><u>Sales &amp; Transport (Mcf)</u></b>	12 Months Ended
Service Classification Nos. 1 & 12	6/30/11
Heat	5,152,114
Nonheating	183,798
Case 07-M-0548 EEPS Adjustment	<u>22,336</u>
	5,313,576

Service Classification Nos. 2, 6 & 13	
Heat	5,092,425
Nonheating	760,488

Service Classification No. 8 - Did not Forecast	
Service Classification No. 9 - Did not Forecast	
Service Classification No. 11	2,229,377
Service Classification No. 14 - Did not Forecast	
Sales for Resale - Did not Forecast	
Interdepartmental - Did not Forecast	

**Base Revenue (\$)**

Service Classification Nos. 1 & 12	
Heat	\$ 41,069,867
Nonheating	\$ 2,995,212
Case 07-M-0548 EEPS Adjustment	<u>\$ 127,544</u>
Sub-Total	\$ 43,937,535

Service Classification Nos. 2, 6 & 13	
Heat	\$ 18,852,820
Nonheating	<u>\$ 2,629,823</u>
Sub-Total	\$ 21,482,643

Service Classification No. 8, 9 and 14	\$ 2,400,000
Service Classification No. 11	\$ 2,010,840
Interdepartmental	\$ 54,270

TOTAL	\$ 69,885,289
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**Customers**

Service Classification Nos. 1 & 12	
Heat	55,684
Nonheating	9,183

Service Classification Nos. 2, 6 & 13	
Heat	9,232
Nonheating	1,261

Central Hudson Gas & Electric Corporation  
Case 09-G-0589  
Actual Monthly Net of Fuel Revenue

		October	November	December	January	February	March	April	May	June	July	August	September	TOTAL
10/1/06 - 9/30/07	SC 8	179,321	148,715	141,011	316,415	69,694	286,838	119,631	58,126	35,208	32,876	27,666	34,552	1,450,053
	SC 9 Standby	8,771	12	488	840	73	1,249							11,433
	SC9 Transportation	58,831	67,620	86,249	70,239	49,196	108,589	58,743	37,897	35,075	36,390	34,920	36,034	679,783
	Curtailment Penalty													0
	Balanced Penalty													0
	Dynegy	2,013					71			20,044	5,496	22,327	4,515	54,466
	Dynegy Standby													0
	Dynegy OBA Penatly			10,755	795		4,290			9,890				25,730
	Danskammer													0
	Danskammer Tolling													0
	Roseton													0
	Roseton Adjustment													0
	Turbine						1,133	2,475				2,366		7,172
TOTAL		248,936	216,347	238,503	388,289	120,096	403,512	178,374	96,023	100,217	77,128	84,913	82,273	2,234,611
10/1/07 - 9/30/08	SC 8	68,036	180,096	382,851	296,610	201,342	200,493	245,954	21,067	7,584	10,479	49,961	-5,952	1,658,521
	SC 9 Standby													0
	SC9 Transportation	43,070	85,291	101,523	74,474	79,527	115,774	43,339	51,509	37,811	36,497	40,374	40,321	749,510
	Curtailment Penalty		394											394
	Balanced Penalty			71	211	138								420
	Dynegy	7,120	2,165		186		1,460	1,984	663	12,444	29,925	7,250	2,435	65,632
	Dynegy Standby													0
	Dynegy OBA Penatly	860						250						1,110
	Danskammer													0
	Danskammer Tolling													0
	Roseton													0
	Roseton Adjustment													0
	Turbine							2,089	57		1,834	5,300	1,544	10,824
TOTAL		119,086	267,946	484,445	371,481	281,007	319,816	291,584	73,239	59,673	82,201	99,129	36,804	2,486,411
10/1/08 - 9/30/09	SC 8	102,882	73,746	110,167	16,206	426,337	383,075	147,056	53,673	33,643	30,160	33,128	38,343	1,448,416
	SC 9 Standby							0	0	0	0	0	0	0
	SC9 Transportation	69,387	87,154	115,067	83,930	93,009	113,309	83,011	49,327	43,830	47,015	50,920	53,820	889,779
	Curtailment Penalty							0	0	0	0	0	0	0
	Balanced Penalty				50	281		0	0	0	0	0	0	331
	Dynegy	922	260	97	108	6		1,373	0	2,094	26,910	63,158	2,593	97,521
	Dynegy Standby							0	0	0	0	0	0	0
	Dynegy OBA Penatly					5,165		4,205	0	10,660	14,470	0	515	35,015
	Danskammer							0	0	0	0	0	0	0
	Danskammer Tolling							0	0	0	0	0	0	0
	Roseton							0	0	0	0	0	0	0
	Roseton Adjustment							0	0	0	0	0	0	0
	Turbine							900	0	0	0	1,908	2,049	157
TOTAL		173,191	161,160	225,331	100,294	524,798	497,284	235,645	103,000	90,226	120,463	149,255	95,428	2,476,076
Three Year Average														2,399,033

Central Hudson Gas and Electric  
Case 09-G-0958  
Pro Forma Rate of Return Analysis

	System Total	Residential Total	Commercial / Industrial Total	SC11 dlm	Intrdprtmntl	SC11 t	SC11 d
<b>Rate of Return Statement</b>							
<b>Rate Base:</b>							
Gross Plant in Service	\$ 311,390,000	\$ 196,359,704	\$ 92,332,052	\$ 3,601,637	\$ 13,982,845	\$ 4,664,446	\$ 449,316
less: Accum. Provisions for Depr. & Amort.	\$ 105,053,822	\$ 59,383,739	\$ 29,374,027	\$ 1,323,458	\$ 12,791,673	\$ 2,037,374	\$ 143,552
Net Plant in Service	\$ 206,336,178	\$ 136,975,965	\$ 62,958,025	\$ 2,278,180	\$ 1,191,172	\$ 2,627,072	\$ 305,764
plus: Construction Work in Progress	\$ 8,577,000	\$ 5,693,829	\$ 2,617,045	\$ 94,700	\$ 49,515	\$ 109,202	\$ 12,710
plus: Working Capital	\$ 8,809,000	\$ 5,627,230	\$ 2,792,346	\$ 95,801	\$ 157,235	\$ 124,182	\$ 12,205
less: Accumulated Deferred Income Taxes	\$ 37,035,000	\$ 23,312,295	\$ 11,947,406	\$ 587,595	\$ 152,417	\$ 976,417	\$ 58,870
plus: Deferred Charges	\$ 3,473,000	\$ 2,177,573	\$ 1,115,179	\$ 58,067	\$ 18,270	\$ 98,230	\$ 5,682
less: Other Rate Base Deductions	\$ 127,000	\$ 85,095	\$ 38,285	\$ 1,285	\$ 838	\$ 1,313	\$ 184
Total Rate Base	\$ 190,033,178	\$ 127,077,206	\$ 57,496,905	\$ 1,937,868	\$ 1,262,937	\$ 1,980,955	\$ 277,307
<b>Revenues:</b>							
Sales, Transport & Dlvry Srvc Revenues	\$ 67,993,360	\$ 43,868,424	\$ 22,059,826	\$ 655,200	\$ 54,270	\$ 1,282,320	\$ 73,320
Miscellaneous Revenues	\$ 1,329,300	\$ 1,006,510	\$ 322,790	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 69,322,660	\$ 44,874,934	\$ 22,382,616	\$ 655,200	\$ 54,270	\$ 1,282,320	\$ 73,320
<b>Expenses:</b>							
Operation and Maintenance	\$ 35,787,000	\$ 22,457,014	\$ 11,880,552	\$ 372,943	\$ 518,692	\$ 511,260	\$ 46,539
Depreciation and Amortization	\$ 7,571,000	\$ 4,847,986	\$ 2,402,311	\$ 109,573	\$ 29,746	\$ 169,566	\$ 11,818
Taxes Other than Income	\$ 8,157,000	\$ 5,485,204	\$ 2,447,312	\$ 76,168	\$ 47,310	\$ 90,913	\$ 10,093
Federal Income Tax	\$ 4,839,178	\$ 3,288,561	\$ 1,557,019	\$ 26,035	\$ (201,304)	\$ 168,579	\$ 288
NYS Income Tax	\$ 922,151	\$ 641,009	\$ 291,770	\$ 967	\$ (38,052)	\$ 26,711	\$ (255)
Total Operating Expenses	\$ 57,276,329	\$ 36,719,774	\$ 18,578,965	\$ 585,687	\$ 356,392	\$ 967,028	\$ 68,483
Net Operating Income	\$ 12,046,331	\$ 8,155,160	\$ 3,803,651	\$ 69,513	\$ (302,122)	\$ 315,292	\$ 4,837
Rate of Return	6.34%	6.42%	6.62%	3.59%	-23.92%	15.92%	1.74%
Index	100%	101%	104%	57%	-377%	251%	28%
Customer Cost		\$ 37.1673	\$ 60.5889				

Central Hudson Gas and Electric  
Case 09-G-0958  
Embedded Rate of Return Analysis

Rate of Return Statement	System Total	Residential Total	Commercial / Industrial Total	Interruptible	SC11 dlm	Intrdprtmntl	SC11 t	SC11 d
<b>Rate Base:</b>								
Gross Plant in Service	\$ 259,679,369	\$ 158,225,487	\$ 78,981,611	\$ 1,748,198	\$ 2,898,119	\$ 13,069,218	\$ 4,017,141	\$ 739,594
less: Accum. Provisions for Depr. & Amort.	\$ 95,813,000	\$ 51,229,264	\$ 27,481,925	\$ 530,154	\$ 1,146,094	\$ 13,302,675	\$ 1,868,657	\$ 254,231
Net Plant in Service	\$ 163,866,369	\$ 106,996,223	\$ 51,499,687	\$ 1,218,044	\$ 1,752,025	\$ (233,457)	\$ 2,148,484	\$ 485,363
plus: Construction Work in Progress	\$ 7,353,000	\$ 4,801,127	\$ 2,310,890	\$ 54,656	\$ 78,617	\$ (10,476)	\$ 96,407	\$ 21,779
plus: Working Capital	\$ 23,730,249	\$ 12,749,543	\$ 9,678,761	\$ 940,665	\$ 74,748	\$ 169,597	\$ 97,620	\$ 19,314
less: Accumulated Deferred Income Taxes	\$ 27,270,000	\$ 16,816,156	\$ 9,008,236	\$ 175,925	\$ 400,278	\$ 113,863	\$ 669,029	\$ 86,512
plus: Deferred Charges	\$ 4,267,000	\$ 2,741,807	\$ 1,361,791	\$ 30,357	\$ 51,980	\$ (5,357)	\$ 73,343	\$ 13,078
less: Other Rate Base Deductions	\$ 13,907,249	\$ 8,927,970	\$ 4,522,701	\$ 167,594	\$ 126,289	\$ (15,706)	\$ 141,677	\$ 36,723
Total Rate Base	\$ 158,039,369	\$ 101,544,574	\$ 51,320,191	\$ 1,900,202	\$ 1,430,804	\$ (177,849)	\$ 1,605,147	\$ 416,300
<b>Revenues:</b>								
Sales, Transport & Dlvry Srvc Revenues	\$ 145,945,217	\$ 78,728,329	\$ 58,338,681	\$ 6,655,279	\$ 516,810	\$ 301,390	\$ 1,258,150	\$ 146,578
Miscellaneous Revenues	\$ 19,804,484	\$ 9,381,753	\$ 9,945,227	\$ -	\$ -	\$ 477,504	\$ -	\$ -
Total Operating Revenues	\$ 165,749,701	\$ 88,110,082	\$ 68,283,908	\$ 6,655,279	\$ 516,810	\$ 778,894	\$ 1,258,150	\$ 146,578
<b>Expenses:</b>								
Operation and Maintenance	\$ 137,892,300	\$ 72,015,328	\$ 58,303,622	\$ 6,120,315	\$ 273,976	\$ 747,153	\$ 363,495	\$ 68,410
Depreciation and Amortization	\$ 6,147,731	\$ 3,848,291	\$ 2,000,852	\$ 41,265	\$ 83,314	\$ 23,721	\$ 131,175	\$ 19,113
Taxes Other than Income	\$ 7,512,657	\$ 4,641,410	\$ 2,642,141	\$ 47,344	\$ 66,766	\$ 13,568	\$ 83,084	\$ 18,344
Federal Income Tax	\$ 3,653,670	\$ 1,872,769	\$ 1,405,752	\$ 126,479	\$ 24,687	\$ (6,414)	\$ 219,264	\$ 11,133
NYS Income Tax	\$ 511,831	\$ 231,725	\$ 214,208	\$ 25,982	\$ 1,677	\$ (5,798)	\$ 42,440	\$ 1,598
Total Operating Expenses	\$ 155,718,188	\$ 82,609,523	\$ 64,566,575	\$ 6,361,385	\$ 450,421	\$ 772,230	\$ 839,457	\$ 118,597
Net Operating Income	\$ 10,031,513	\$ 5,500,559	\$ 3,717,333	\$ 293,894	\$ 66,389	\$ 6,664	\$ 418,693	\$ 27,981
Rate of Return	6.35%	5.42%	7.24%	15.47%	4.64%	-3.75%	26.08%	6.72%
Index	100%	85%	114%	244%	73%	-59%	411%	106%

Central Hudson Gas and Electric Corporation  
CASE 09-G-0589

STAFF Estimated MFC Charges

<b>MFC Total:</b>	<u>CES</u>	Percentage of Competitive <u>Energy Services</u>	<u>Procurement</u>	Percentage of <u>Procurement</u>	<u>Remove Advertising and Promotion</u>	<u>Remove Allocated Commodity Call Center</u>	<u>Remove Allocated Commodity C&amp;C</u>	<u>Revenue Requirement in New MFC Supply</u>	<u>Revenue Requirement in New MFC Admin</u>	<b>Rate Year ONE</b>			MFC Revenues
										<u>Staff Sales Forecast Mcf</u>	<u>Adjusted MFC Supply</u>	<u>Adjusted MFC Admin</u>	
Residential Heat	\$ 103,479		\$ 944,677										
Residential Non-Heat	\$ 16,761		\$ 34,285										
Residential TOTAL	\$ 120,240	77%	\$ 978,962	47%	\$ 2,073	\$ 244,462	\$ 301,247	\$ 551,419	\$ 545,710	5,313,252	\$ 0.10378	\$ 0.10271	1,097,128
Commercial Heat	\$ 31,886		\$ 944,844										
Commercial Non Heat	\$ 4,484		\$ 142,978										
Commercial TOTAL	\$ 36,370	23%	\$ 1,087,822	53%	\$ 627	\$ 271,646	\$ 334,746	\$ 517,173	\$ 606,392	5,842,670	\$ 0.08852	\$ 0.10379	1,123,566
Total	\$ 156,610		\$ 2,066,784		\$ 2,700	\$ 516,108	\$ 635,993	\$ 1,068,592	\$ 1,152,102				\$ 2,220,694
From Proforma			\$ 2,223,394			\$ 516,108	\$ 635,993		\$ 2,220,694				

# CENTRAL HUDSON GAS & ELECTRIC CORPORATION

CASE 09-G-0589

## REVENUE ALLOCATION

Incremental Revenue Requirement \$ 0 (Excluding Revenue Taxes)  
 Percentage On Base Rates 0.00%

	Unitized Rate of Return Embedded	Unitized Rate of Return Pro Forma	Revenue Allocation Factor	RY Sales at Current Rates	Base Rev Increase	Adjustment \$ 0	Total	Revenue % Increase	MFC Revenue from Current MFC Rates	Total Estimated MFC Revenue	MFC Adjustment to Rate Increase	Adj Base Rev Increase	Adj Increase as % of System	Delivery Increase Percent
SC 1 Residential Total	0.85	1.01	1.00	\$ 40,485,083	\$ 0	\$ 0	\$ 0	0.00%	\$ 2,398,353	\$ 1,097,128	\$ 1,301,225	\$ 1,301,225	101.12%	3.42%
SC 2 Non Residential Total	1.14	1.04	1.00	\$ 20,263,235	\$ 0	\$ 0	\$ 0	0.00%	\$ 1,109,127	\$ 1,123,566	\$ (14,439)	\$ (14,439)	-1.12%	-0.08%
SC 11 - DLM	0.73	0.57	1.25	\$ 651,863	\$ 0	\$ 0	\$ 0	0.00%	\$ -	\$ -	\$ -	\$ 0	0.00%	0.00%
SC 11 - Transmission	4.11	2.51	0.75	\$ 1,275,715	\$ 0	\$ 0	\$ 0	0.00%	\$ -	\$ -	\$ -	\$ 0	0.00%	0.00%
SC 11 - Distribution	1.06	0.28	1.00	\$ 73,358	\$ 0	\$ 0	\$ 0	0.00%	\$ -	\$ -	\$ -	\$ 0	0.00%	0.00%
<b>Total</b>				\$ 62,749,253.51	\$ 0	\$ 0	\$ 0	0	\$ 3,507,480	\$ 2,220,694	\$ 1,286,786	\$ 1,286,786	100.00%	2.17%

**Central Hudson Gas and Electric Corporation  
CASE 09-G-0589**

**CUSTOMER COSTS VERSUS CUSTOMER CHARGES**

<u>Service Class</u>	Customer Costs Per Revised <u>ECOS Study</u> \$ per month	Present Customer Charge		Staff Proposed Customer Charge	
		<u>Amount</u> \$ per month	<u>% of Costs</u>	<u>Amount</u> \$ per month	<u>% of Costs</u>
SC 1 - Residential Heat Sales and Transportation	\$37.17	\$17.00	45.74%	\$17.00	45.74%
SC 2 - Commercial Heat	\$60.59	\$30.00	49.51%	\$30.00	49.51%
SC 11 - Trans MDQ		\$600.00		\$600.00	
SC 11 - Distribution MDQ LM		\$600.00		\$600.00	

Note: Based on weighting of customer costs for the Company Pre-Forma ECOS Study

Central Hudson Gas and Electric Corporation  
Case 09-G-0589  
Staff's Rate Year Sales Forecast at Present and Proposed Rates

SC 1 Pre EEPS	Residential - Heat		Tax Factor	0.02578	Tax Factor	0.02578
Customer		55,684	Present Rates		Proposed Rates	
	CCF		Pre Tax	After Tax	Pre Tax	After Tax
First	2	1,310,590	\$ 11,359,605	\$ 11,652,456	\$ 11,359,605	\$ 11,652,456
Next	48	22,626,980	\$ 15,488,168	\$ 15,887,453	\$ 16,736,032	\$ 17,167,487
Excess	50	27,673,650	\$ 10,914,488	\$ 11,195,863	\$ 10,914,488	\$ 11,195,863
		51,611,220	\$ 37,762,260	\$ 38,735,772	\$ 39,010,125	\$ 40,015,806
MFC-Admin			\$ 1,308,861	\$ 1,342,603	\$ 1,308,861	\$ 1,342,603
MFC-Supply			\$ 1,016,741	\$ 1,042,953	\$ 1,016,741	\$ 1,042,953
MFC-Total			\$ 2,325,602	\$ 2,385,556	\$ 2,325,602	\$ 2,385,556

SC 1 Post EEPS	Residential - Heat					
Customers		55,684				
	CCF					
First	2	1,304,900	\$ 11,359,605	\$ 11,652,456	\$ 11,359,605	\$ 11,652,456
Next	48	22,529,020	\$ 15,421,114	\$ 15,818,671	\$ 16,663,576	\$ 17,093,163
Excess	50	27,553,870	\$ 10,867,246	\$ 11,147,404	\$ 10,867,246	\$ 11,147,404
		51,387,790	\$ 37,647,966	\$ 38,618,530	\$ 38,890,428	\$ 39,893,023
MFC-Admin			\$ 1,303,194	\$ 1,336,791	\$ 1,303,194	\$ 1,336,791
MFC-Supply			\$ 1,012,339	\$ 1,038,438	\$ 1,012,339	\$ 1,038,438
MFC-Total			\$ 2,315,534	\$ 2,375,228	\$ 2,315,534	\$ 2,375,228

SC 1	Residential - Non-Heat					
Customer		9,183				
First	2	178,002	\$ 1,873,339	\$ 1,921,634	\$ 1,873,339	\$ 1,921,634
Next	48	1,065,436	\$ 729,291	\$ 748,092	\$ 788,049	\$ 808,365
Excess	50	594,541	\$ 234,487	\$ 240,532	\$ 234,487	\$ 240,532
		1,837,979	\$ 2,837,117	\$ 2,910,258	\$ 2,895,875	\$ 2,970,531
MFC-Admin			\$ 46,611	\$ 47,813	\$ 46,611	\$ 47,813
MFC-Supply			\$ 36,208	\$ 37,142	\$ 36,208	\$ 37,142
MFC-Total			\$ 82,819	\$ 84,954	\$ 82,819	\$ 84,954

SC 2	Commercial Heat		Tax Factor	0.00516	Tax Factor	0.00516
Customer		8,381				
First	2	169,537	\$ 3,017,333	\$ 3,032,902	\$ 3,017,333	\$ 3,032,902
Next	98	5,520,158	\$ 2,609,379	\$ 2,622,843	\$ 2,609,379	\$ 2,622,843
Next	4,900	28,189,273	\$ 7,622,379	\$ 7,661,711	\$ 7,611,600	\$ 7,650,876
Excess	5,000	6,281,472	\$ 1,385,693	\$ 1,392,843	\$ 1,385,693	\$ 1,392,843
		40,160,440	\$ 14,634,784	\$ 14,710,299	\$ 14,624,004	\$ 14,699,464
MFC-Admin			\$ 149,397	\$ 150,168	\$ 149,397	\$ 150,168
MFC-Supply			\$ 611,643	\$ 614,800	\$ 611,643	\$ 614,800
MFC-Total			\$ 761,040	\$ 764,967	\$ 761,040	\$ 764,967

SC 2	Commercial Non-Heat					
Customer		1,133				
First	2	23,661	\$ 407,869	\$ 409,974	\$ 407,869	\$ 409,974
Next	98	668,511	\$ 316,005	\$ 317,636	\$ 316,005	\$ 317,636
Next	4,900	2,562,929	\$ 693,016	\$ 696,592	\$ 692,036	\$ 695,607
Excess	5,000	2,894,470	\$ 638,520	\$ 641,815	\$ 638,520	\$ 641,815
		6,149,571	\$ 2,055,410	\$ 2,066,016	\$ 2,054,430	\$ 2,065,031
MFC-Admin			\$ 22,876	\$ 22,994	\$ 22,876	\$ 22,994
MFC-Supply			\$ 93,658	\$ 94,141	\$ 93,658	\$ 94,141
MFC-Total			\$ 116,534	\$ 117,136	\$ 116,534	\$ 117,136

Central Hudson Gas and Electric Corporation  
Case 09-G-0589

Staff's Rate Year Sales Forecast at Present and Proposed Rates

SC2		OPA - Heat								
Customer		617								
First	2	12,652	\$	222,254	\$	223,401	\$	222,254	\$	223,401
Next	98	457,131	\$	216,086	\$	217,201	\$	216,086	\$	217,201
Next	4,900	4,297,136	\$	1,161,946	\$	1,167,941	\$	1,160,302	\$	1,166,290
Excess	5,000	2,276,647	\$	502,228	\$	504,820	\$	502,228	\$	504,820
		7,043,567	\$	2,102,514	\$	2,113,363	\$	2,100,871	\$	2,111,711
MFC-Admin			\$	26,202	\$	26,337	\$	26,202	\$	26,337
MFC-Supply			\$	107,274	\$	107,827	\$	107,274	\$	107,827
MFC-Total			\$	133,476	\$	134,164	\$	133,476	\$	134,164

SC2		OPA - Non-Heat								
Customer		104								
First	2	2,174	\$	37,301	\$	37,493	\$	37,301	\$	37,493
Next	98	67,859	\$	32,077	\$	32,242	\$	32,077	\$	32,242
Next	4,900	455,989	\$	123,299	\$	123,936	\$	123,125	\$	123,760
Excess	5,000	604,879	\$	133,436	\$	134,125	\$	133,436	\$	134,125
		1,130,901	\$	326,113	\$	327,796	\$	325,939	\$	327,621
MFC-Admin			\$	4,207	\$	4,229	\$	4,207	\$	4,229
MFC-Supply			\$	17,224	\$	17,312	\$	17,224	\$	17,312
MFC-Total			\$	21,431	\$	21,541	\$	21,431	\$	21,541

SC 2		Industrial Heat								
Customer		233								
First	2	4,618	\$	83,845	\$	84,278	\$	83,845	\$	84,278
Next	98	175,087	\$	82,763	\$	83,191	\$	82,763	\$	83,191
Next	4,900	2,130,011	\$	575,955	\$	578,927	\$	575,140	\$	578,108
Excess	5,000	1,410,531	\$	311,163	\$	312,769	\$	311,163	\$	312,769
		3,720,246	\$	1,053,727	\$	1,059,164	\$	1,052,912	\$	1,058,345
MFC-Admin			\$	13,839	\$	13,911	\$	13,839	\$	13,911
MFC-Supply			\$	56,659	\$	56,952	\$	56,659	\$	56,952
MFC-Total			\$	70,499	\$	70,862	\$	70,499	\$	70,862

SC 2		Industrial Non-Heat								
Customer		25								
First	2	471	\$	8,834	\$	8,880	\$	8,834	\$	8,880
Next	98	16,777	\$	7,930	\$	7,971	\$	7,930	\$	7,971
Next	4,900	123,743	\$	33,460	\$	33,633	\$	33,413	\$	33,585
Excess	5,000	183,419	\$	40,462	\$	40,671	\$	40,462	\$	40,671
		324,410	\$	90,687	\$	91,155	\$	90,640	\$	91,107
MFC-Admin			\$	1,207	\$	1,213	\$	1,207	\$	1,213
MFC-Supply			\$	4,941	\$	4,966	\$	4,941	\$	4,966
MFC-Total			\$	6,148	\$	6,179	\$	6,148	\$	6,179

SC11 Transmission										
Customer		3								
Customer Charge			\$	21,600	\$	21,711	\$	21,600	\$	21,711
MCF of MDQ			\$	1,254,115	\$	1,260,586	\$	1,254,115	\$	1,260,586
			\$	1,275,715	\$	1,282,298	\$	1,275,715	\$	1,282,298

SC11 Distribution										
Customer		1								
Customer Charge			\$	7,200	\$	7,237	\$	7,200	\$	7,237
MCF of MDQ			\$	66,158	\$	66,499	\$	66,158	\$	66,499
			\$	73,358	\$	73,736	\$	73,358	\$	73,736

SC11 Distribution Large Main										
Customer		1								
Customer Charge			\$	7,200	\$	7,237	\$	7,200	\$	7,237
MCF of MDQ			\$	644,663	\$	647,990	\$	644,663	\$	647,990
			\$	651,863	\$	655,227	\$	651,863	\$	655,227

**Central Hudson Gas and Electric Corporation**  
**Case 09-G-0589**

**STAFF PROPOSED RATES SUMMARY**

**SC 1**

First 2 CCf	\$	17.00
Next 48 CCf	\$	0.73965
Excess 50 CCf	\$	0.39440
MFC - Admin	\$	0.01027
MFC - Supply	\$	0.01038
MFC- Total	\$	0.02065

**SC 2**

First 2 CCf	\$	30.00
Next 98 CCf	\$	0.47270
Next 4900 CCf	\$	0.27002
Excess 5000 CCf	\$	0.22060
MFC - Admin	\$	0.01038
MFC - Supply	\$	0.00885
MFC- Total	\$	0.01923

**SC 11 - Trans MDQ**

Customer	\$	600.00
MDQ	\$	7.73000

**SC 11 - Distribution MDQ**

Customer	\$	600.00
MDQ	\$	15.530

**SC 11 - Distribution MDQ LM**

Customer	\$	600.00
MDQ	\$	9.21000

**Central Hudson Gas and Electric Corporation**  
**CASE 09-G-0589**

**BILL IMPACTS - MONTHLY & ANNUAL**

**SC 1 RESIDENTIAL HEAT- RATE YEAR 1**

<u>Sales</u> <u>Therms</u>	<u>Bills at</u> <u>Present</u> <u>Rates</u>	<u>Bills at</u> <u>RY 1</u> <u>Rates</u>	<u>Difference</u>			<u>Present</u> <u>Rates</u>	<u>RY 1</u> <u>Rates</u>
			<u>Amount</u>	<u>Percent</u>			
0	\$17.44	\$17.44	\$0.00	0.0%	First 2 CCf	\$17.00	\$17.00
4	\$21.72	\$21.73	\$0.01	0.1%	Next 48 CCf	\$0.68450	\$0.7396
6	\$24.57	\$24.64	\$0.08	0.3%	Excess 50 CCf, per CCf	\$0.39440	\$0.3944
8	\$27.41	\$27.55	\$0.14	0.5%			
10	\$30.25	\$30.45	\$0.20	0.7%			
15	\$37.36	\$37.72	\$0.36	1.0%			
20	\$44.47	\$44.99	\$0.52	1.2%			
25	\$51.58	\$52.25	\$0.67	1.3%	Gas Supply Chrg	\$0.64017	\$0.64017
30	\$58.69	\$59.52	\$0.83	1.4%	Merch Funct Chrg - Admin	\$0.02536	\$0.01025
35	\$65.80	\$66.79	\$0.99	1.5%	Merch Funct Chrg - Supply	\$0.01970	\$0.01036
40	\$72.91	\$74.05	\$1.15	1.6%	Transition Adj	\$0.00148	\$0.00148
45	\$80.02	\$81.32	\$1.30	1.6%	GRT - Commodity	0.513000%	0.513000%
50	\$87.13	\$88.59	\$1.46	1.7%	GRT - Delivery	2.513000%	2.513000%
60	\$98.37	\$99.58	\$1.21	1.2%			
80	\$120.85	\$121.56	\$0.71	0.6%	New York State Assessment/Ccf	0.03001	0.03001
100	\$143.34	\$143.55	\$0.21	0.1%			
130	\$177.07	\$176.52	(\$0.54)	-0.3%			

<u>Month</u>	<u>Sales</u> <u>Therms</u>	<u>Bills at</u> <u>Present</u> <u>Rates</u>	<u>Bills at</u> <u>RY 1</u> <u>Rates</u>	<u>Difference</u>	
				<u>Amount</u>	<u>Percent</u>
July	23.44	\$49.36	\$49.99	\$0.63	1.3%
August	18.75	\$42.69	\$43.17	\$0.48	1.1%
September	15.85	\$38.57	\$38.96	\$0.39	1.0%
October	24.02	\$50.19	\$50.83	\$0.64	1.3%
November	45.73	\$81.05	\$82.38	\$1.33	1.6%
December	98.25	\$141.37	\$141.62	\$0.25	0.2%
January	137.56	\$185.57	\$184.84	-\$0.73	-0.4%
February	169.63	\$221.62	\$220.08	-\$1.54	-0.7%
March	155.30	\$205.51	\$204.33	-\$1.18	-0.6%
April	119.11	\$164.82	\$164.55	-\$0.27	-0.2%
May	73.13	\$113.14	\$114.02	\$0.88	0.8%
June	40.47	\$73.57	\$74.73	\$1.16	1.6%
Annual Totals	921.2	\$1,367.46	\$1,369.49	\$2.03	0.1%

**Central Hudson Gas and Electric Corporation**  
**CASE 09-G-0589**

**BILL IMPACTS - MONTHLY & ANNUAL**

**SC 2 Commercial Heat - RATE YEAR 1**

<u>Sales</u> <u>Therms</u>	<u>Bills at</u> <u>Present</u> <u>Rates</u>	<u>Bills at</u> <u>RY 1</u> <u>Rates</u>	<u>Difference</u>			<u>Present</u> <u>Rates</u>	<u>RY 1</u> <u>Rates</u>
			<u>Amount</u>	<u>Percent</u>			
0	\$30.15	\$30.15	\$0.00	0.0%	First 2 CCf	\$30.00	\$30.00
5	\$35.04	\$35.05	\$0.00	0.0%	Next 98 CCf	\$0.4727	\$0.4727
10	\$40.88	\$40.89	\$0.01	0.0%	Next 4900 CCf	\$0.2704	\$0.2700
30	\$64.23	\$64.26	\$0.02	0.0%	Excess 5000 CCf, per therm	\$0.2206	\$0.2206
50	\$87.59	\$87.62	\$0.03	0.0%			
100	\$145.97	\$146.04	\$0.07	0.0%			
150	\$194.19	\$194.27	\$0.09	0.0%			
200	\$242.40	\$242.50	\$0.10	0.0%	Gas Supply Chrg	\$0.64017	\$0.64017
250	\$290.62	\$290.74	\$0.12	0.0%	Merch Funct Chrg - Admin	\$0.00372	\$0.01060
300	\$338.84	\$338.97	\$0.13	0.0%	Merch Funct Chrg - Supply	\$0.01523	\$0.00904
400	\$435.27	\$435.43	\$0.16	0.0%	Transition Adjustment	\$0.00380	\$0.00380
500	\$531.70	\$531.90	\$0.19	0.0%	GRT - Commodity	0.513000%	0.513000%
600	\$628.13	\$628.36	\$0.23	0.0%	GRT - Delivery	0.513000%	0.513000%
800	\$821.00	\$821.29	\$0.29	0.0%			
1000	\$1,013.86	\$1,014.21	\$0.35	0.0%	New York State Assessment/CCf	0.03001	0.03001
1500	\$1,496.02	\$1,496.53	\$0.51	0.0%			
2000	\$1,978.18	\$1,978.85	\$0.66	0.0%			
3000	\$2,942.51	\$2,943.48	\$0.98	0.0%			
5000	\$4,871.15	\$4,872.76	\$1.60	0.0%			
7500	\$7,156.82	\$7,160.16	\$3.34	0.0%			
10000	\$9,442.49	\$9,447.57	\$5.09	0.1%			
12000	\$11,271.02	\$11,277.50	\$6.48	0.1%			
14000	\$13,099.55	\$13,107.43	\$7.88	0.1%			
16000	\$14,928.08	\$14,937.35	\$9.27	0.1%			
20000	\$18,585.15	\$18,597.20	\$12.06	0.1%			

<u>Month</u>	<u>Sales</u> <u>Therms</u>	<u>Bills at</u> <u>Present</u> <u>Rates</u>	<u>Bills at</u> <u>RY 1</u> <u>Rates</u>	<u>Difference</u>	
				<u>Amount</u>	<u>Percent</u>
July	150.0	\$194.19	\$194.27	\$0.09	0.0%
August	127.8	\$172.79	\$172.87	\$0.08	0.0%
September	142.4	\$186.83	\$186.91	\$0.08	0.0%
October	190.4	\$233.17	\$233.27	\$0.10	0.0%
November	346.1	\$383.24	\$383.39	\$0.15	0.0%
December	553.3	\$583.14	\$583.35	\$0.21	0.0%
January	795.2	\$816.34	\$816.62	\$0.29	0.0%
February	768.4	\$790.54	\$790.82	\$0.28	0.0%
March	747.2	\$770.12	\$770.40	\$0.27	0.0%
April	473.4	\$506.07	\$506.25	\$0.19	0.0%
May	305.0	\$343.69	\$343.82	\$0.13	0.0%
June	178.8	\$221.98	\$222.08	\$0.09	0.0%
Annual Totals	4778.1	\$5,202.09	\$5,204.04	\$1.96	0.0%

Central Hudson Gas & Electric Corporation  
Case Nos. 09-E-0588 & 09-G-0589  
Response to Staff Information Request No. 17

Natural Gas Losses

Month	Year	City Gate	Disposition										Accounted for	Unaccounted for	LAUF	12 Month LAUF
			Plus: Propane	Less: Line pack	Plus: Conversion	Natural Gas Available	Inter-Department	Firm Sales x unbilld	Interruptible	Transport x unbilld	Other	Dynegy				
September	2003	550,830	-	194	13	550,649	9	216,116	27,561	285,589	11	-	529,286	21,363	3.88%	
October	2003	1,113,586	-	1,145	(87)	1,112,354	734	369,369	65,151	368,772	107	-	804,133	308,221	27.71%	
November	2003	1,484,973	-	1,878	85	1,483,180	2,035	570,339	52,405	468,729	865	-	1,094,373	388,807	26.21%	
December	2003	2,218,542	-	(1,644)	117	2,220,303	4,289	1,157,287	46,114	569,288	2,746	4,980	1,784,704	435,599	19.62%	
January	2004	2,953,632	26,987	(208)	282	2,981,109	4,926	1,558,280	16,128	697,709	3,125	-	2,280,168	700,941	23.51%	
February	2004	2,307,063	930	(630)	805	2,309,428	6,175	1,973,046	41,270	661,329	3,591	-	2,685,411	(375,983)	-16.28%	
March	2004	1,786,566	-	1,158	(153)	1,785,255	3,177	1,477,715	35,779	559,656	2,593	-	2,078,920	(293,665)	-16.45%	
April	2004	1,169,469	-	(1,493)	176	1,171,138	2,419	1,107,820	35,707	470,148	2,038	-	1,618,132	(446,994)	-38.17%	
May	2004	682,739	-	(1,804)	137	684,680	1,205	624,343	27,951	371,767	835	-	1,026,101	(341,421)	-49.87%	
June	2004	534,380	-	1,875	32	532,537	137	348,608	27,676	263,445	105	-	639,971	(107,434)	-20.17%	
July	2004	504,529	-	(1,403)	(97)	505,835	109	230,245	21,525	288,642	11	-	540,532	(34,697)	-6.86%	
August	2004	533,441	-	(464)	(30)	533,875	100	208,198	22,025	282,745	11	-	513,079	20,796	3.90%	1.74%
September	2004	600,579	-	402	16	600,193	130	214,501	23,992	328,675	12	6,958	574,268	25,925	4.32%	
October	2004	1,034,308	-	3,978	9	1,030,339	447	312,007	62,300	345,923	90	5,954	726,721	303,618	29.47%	
November	2004	1,579,666	-	(1,503)	9	1,581,178	1,982	572,431	80,795	487,026	1,239	-	1,143,473	437,705	27.68%	
December	2004	2,321,921	199	430	16	2,321,706	3,536	1,097,963	76,313	610,364	1,431	-	1,789,607	532,099	22.92%	
January	2005	2,810,162	7,265	(1,731)	(26)	2,819,132	5,942	1,556,153	50,574	732,215	3,078	-	2,347,962	471,170	16.71%	
February	2005	2,188,881	50	1,836	10	2,187,105	5,087	1,833,907	68,509	630,889	5,498	-	2,543,890	(356,785)	-16.31%	
March	2005	2,159,657	-	(2,752)	(1)	2,162,408	5,244	1,601,567	100,292	606,901	1,907	-	2,315,911	(153,503)	-7.10%	
April	2005	1,069,768	-	87	(19)	1,069,662	1,764	1,179,636	70,543	412,016	1,311	1,478	1,666,748	(597,086)	-55.82%	
May	2005	837,058	-	919	83	836,222	739	631,113	53,903	366,757	871	796	1,054,179	(217,957)	-26.06%	
June	2005	555,102	-	(1,386)	52	556,540	274	411,590	24,911	311,971	378	-	749,124	(192,584)	-34.60%	
July	2005	502,286	-	878	(19)	501,389	726	245,279	22,899	270,066	105	4,862	543,937	(42,548)	-8.49%	
August	2005	485,161	-	(1,195)	9	486,365	450	212,624	27,837	252,089	10	-	493,010	(6,645)	-1.37%	1.26%
September	2005	509,547	-	981	(28)	508,538	65	190,233	26,169	260,272	13	-	476,752	31,786	6.25%	
October	2005	1,040,475	-	(660)	96	1,041,231	237	280,845	51,883	401,963	51	5,991	740,970	300,261	28.84%	
November	2005	1,384,910	160	979	(15)	1,384,076	2,157	515,566	47,625	435,799	894	20,174	1,022,215	361,861	26.14%	
December	2005	2,360,715	140	75	3	2,360,783	4,337	1,142,349	60,421	588,524	2,585	-	1,798,216	562,567	23.83%	
January	2006	2,134,987	64	852	23	2,134,222	4,534	1,389,859	34,012	738,785	3,619	-	2,170,809	(36,587)	-1.71%	
February	2006	2,085,859	247	(1,553)	3	2,087,662	4,178	1,397,020	40,889	695,529	3,380	-	2,140,996	(53,334)	-2.55%	
March	2006	1,868,635	162	389	(5)	1,868,403	5,492	1,240,087	29,278	760,547	3,441	4,502	2,043,347	(174,944)	-9.36%	
April	2006	1,081,461	-	403	20	1,081,078	1,308	950,142	33,740	533,824	1,397	10,493	1,530,904	(449,826)	-41.61%	
May	2006	764,966	-	(876)	57	765,899	1,102	493,904	26,089	462,683	884	7,385	992,047	(226,148)	-29.53%	
June	2006	662,345	-	3,155	28	659,218	1,036	376,037	21,294	434,006	371	13,873	846,617	(187,399)	-28.43%	
July	2006	737,328	-	(4,440)	(113)	741,655	98	182,602	18,873	492,164	10	61,470	755,217	(13,562)	-1.83%	
August	2006	514,549	-	1,985	(14)	512,550	80	204,915	27,148	282,388	241	-	514,772	(2,222)	-0.43%	0.74%
September	2006	539,329	-	(927)	2	540,258	94	160,987	20,931	301,193	75	-	483,280	56,978	10.55%	
October	2006	1,057,281	-	469	34	1,056,846	174	268,530	54,137	408,400	59	-	731,300	325,546	30.80%	
November	2006	1,325,294	-	703	(9)	1,324,582	1,316	464,303	83,886	498,996	763	-	1,049,264	275,318	20.79%	
December	2006	1,911,092	-	(345)	2	1,911,439	2,191	833,983	86,183	638,951	1,232	-	1,562,540	348,899	18.25%	
January	2007	2,238,046	2,765	(156)	18	2,240,985	3,619	1,038,284	85,154	657,826	1,782	-	1,786,665	454,320	20.27%	
February	2007	2,413,441	6,179	363	(60)	2,419,197	5,004	1,577,468	36,009	688,715	1,988	997	2,310,181	109,016	4.51%	
March	2007	2,108,596	-	86	(68)	2,108,442	4,463	1,508,166	59,147	815,926	1,839	-	2,389,541	(281,099)	-13.33%	
April	2007	1,388,076	-	436	11	1,387,651	2,104	1,209,645	63,611	569,823	996	1,497	1,847,676	(460,025)	-33.15%	
May	2007	664,659	-	(1,549)	1	666,209	1,036	617,842	36,016	417,321	561	-	1,072,776	(406,567)	-61.03%	
June	2007	723,770	-	1,094	(34)	722,642	(55)	347,698	19,747	518,015	48	4,849	890,302	(167,660)	-23.20%	
July	2007	567,387	-	(1,067)	(121)	568,333	90	202,834	12,990	368,961	11	-	584,886	(16,553)	-2.91%	
August	2007	741,567	-	464	(27)	741,076	78	201,720	13,550	535,278	9	-	750,635	(9,559)	-1.29%	1.46%
September	2007	583,788	-	(520)	(3)	584,305	87	173,075	17,179	347,461	12	4,498	542,312	41,993	7.19%	
October	2007	830,871	-	1,089	(79)	829,703	117	228,698	37,284	435,637	38	-	701,774	127,929	15.42%	
November	2007	1,677,407	109	(1,155)	12	1,678,683	975	400,935	80,205	562,133	708	-	1,044,956	633,727	37.75%	
December	2007	2,374,070	-	4,013	8	2,370,065	3,900	1,073,299	101,155	767,169	1,477	-	1,947,000	423,065	17.85%	
January	2008	2,381,878	204	(4,083)	(1)	2,386,164	4,187	1,297,466	93,865	793,326	1,907	-	2,190,751	195,413	8.19%	
February	2008	2,320,961	573	3,227	(4)	2,318,303	3,852	1,460,150	99,367	804,586	1,854	-	2,369,809	(51,506)	-2.22%	
March	2008	2,049,341	148	(3,030)	-	2,052,519	3,497	1,258,238	87,436	857,752	1,685	-	2,208,608	(156,089)	-7.60%	
April	2008	1,063,839	-	(1,002)	(9)	1,064,832	2,500	1,022,768	61,737	585,901	1,033	-	1,673,939	(609,107)	-57.20%	
May	2008	777,754	-	1,035	(6)	776,713	665	527,902	33,045	456,739	477	-	1,018,828	(242,115)	-31.17%	
June	2008	638,582	-	(348)	83	639,013	154	336,614	15,309	467,480	58	-	819,615	(180,602)	-28.26%	
July	2008	826,458	-	1,750	(305)	824,403	83	216,147	12,643	645,724	11	-	874,608	(50,205)	-6.09%	
August	2008	570,662	-	736	(37)	569,889	55	159,132	16,360	366,185	9	-	541,741	28,148	4.94%	1.00%

Three Year Average  
Fixed Factor of Adjustment

1.07%  
1.0108

## **Gas Plant Target**

The Gas Plant Target is the sum of,

- 1) the Average Gas Net Plant provided in rates
- 2) the Average Gas Non-interest Bearing Construction Work in Progress provided in rates
- 3) the Average Common Net Plant provided in rates allocated to Gas
- 4) the Average Common Non-interest Bearing Construction Work in Progress provided in rates allocated to Gas

### Average Gas Net Plant provided in rates

The Average Gas Net Plant provided in rates is the sum of the Average Gas Plant In Service and the Average Retirement Work In Progress (RWIP) less the Average Gas Reserve for Depreciation.

The Average Gas Plant In Service provided in rates is the sum of  $\frac{1}{2}$  the forecast Gas plant in service as of June 30, 2010, the forecast Gas plant in service for July, August, September, October, November, December, January, February, March, April, May and  $\frac{1}{2}$  the forecast Gas plant in service as of June 30, 2011 divided by 12.

The Average RWIP provided in rates is the sum of  $\frac{1}{2}$  the forecast RWIP as of June 30, 2010, the forecast RWIP for July, August, September, October, November, December, January, February, March, April, May and  $\frac{1}{2}$  the forecast RWIP as of June 30, 2011 divided by 12.

Average Gas Reserve for Depreciation provided in rates is the sum of  $\frac{1}{2}$  the forecast Gas reserve for depreciation as of June 30, 2010, the forecast Gas reserve for depreciation for July, August, September, October, November, December, January, February, March, April, May and  $\frac{1}{2}$  the forecast Gas reserve for depreciation as of June 30, 2011 divided by 12.

### Average Gas Non-interest Bearing Construction Work in Progress provided in rates

#### Average Common Net Plant provided in rates

#### Average Common Non-interest Bearing Construction Work in Progress provided in rates

These are calculated in the same manner as described for Average Gas Net Plant.

## **Actual Gas Plant**

The Actual Gas Plant is the sum of:

- 1) the actual Average Gas Net Plant
- 2) the actual Average Gas Non-interest Bearing Construction Work in Progress
- 3) the actual Average Common Net Plant allocated to Gas
- 4) the actual Average Common Non-interest Bearing Construction Work in Progress allocated to Gas

### Actual Average Gas Net Plant

The actual Average Gas Net Plant is the sum of the Average Gas Plant In Service and the Average RWIP less the Average Gas Reserve for Depreciation.

The actual Average Gas Plant In Service is the sum of  $\frac{1}{2}$  the actual Gas plant in service as of June 30, 2010, the actual Gas plant in service for July, August, September, October, November, December, January, February, March, April, May and  $\frac{1}{2}$  the actual Gas plant in service as of June 30, 2011 divided by 12.

The actual Average RWIP is the sum of  $\frac{1}{2}$  the actual RWIP as of June 30, 2010, the actual RWIP for July, August, September, October, November, December, January, February, March, April, May and  $\frac{1}{2}$  the actual RWIP as of June 30, 2011 divided by 12.

Actual Average Gas Reserve for Depreciation is the sum of  $\frac{1}{2}$  the actual Gas reserve for depreciation as of June 30, 2010, the actual Gas reserve for depreciation for July, August, September, October, November, December, January, February, March, April, May and  $\frac{1}{2}$  the actual Gas reserve for depreciation as of June 30, 2011 divided by 12.

### Actual Average Gas Non-interest Bearing Construction Work in Progress

#### Actual Average Common Net Plant

#### Actual Average Common Non-interest Bearing Construction Work in Progress

These are calculated in the same manner as described for actual Average Gas Net Plant.

## **Gas Depreciation Expense**

The Company will submit the rate year Gas Depreciation Expense allowed in rates.

The rate year Gas Depreciation Expense allowed in rates includes the Common Plant depreciation expense allocated to Gas.

The actual Gas Depreciation Expense includes the actual Common Plant depreciation expense allocated to Gas.

## **Calculation**

At the end of the rate year, the Company will compare the actual Gas Plant to the Gas Plant Target.

a) If there is a shortfall,

1) the Company will calculate the revenue requirement impact of the Gas net plant shortfall.

2) the Company will calculate the revenue requirement impact of the difference between the actual Gas Depreciation Expense and the rate year Gas Depreciation Expense allowed in rates.

3) if the sum of 1) and 2) is a net benefit for customers, the benefit is deferred.

b) If there is no shortfall,

1) the Company makes no further calculations.

CENTRAL HUDSON GAS AND ELECTRIC CORPORATION  
CASE 09-G-0589  
STAFF ESTIMATED AVERAGE NET PLANT - GAS\*  
TWELVE MONTH ENDING JUNE 30, 2011  
(\$000)

	<u>PLANT IN</u>	<u>RETIREMENT</u>	<u>DEPRECIATION</u>	<u>NET</u>	<u>NON-</u>	<u>PLANT</u>	<u>DEPRECIATION</u>
	<u>SERVICE</u>	<u>WORK IN</u>	<u>RESERVE</u>	<u>PLANT</u>	<u>INTEREST</u>	<u>TARGET</u>	<u>EXPENSE</u>
		<u>PROGRESS</u>			<u>BEARING</u>		
					<u>CWIP</u>		
June 30, 2010**	152,257	668	51,821	101,103	4,288.50	105,392	
July 31, 2010	305,397	1,378	104,258	202,516	8577	211,093	
August 31, 2010	306,608	1,422	104,855	203,175	8577	211,752	
September 30, 2010	307,533	1,453	105,384	203,602	8577	212,179	
October 31, 2010	309,272	1,490	105,920	204,842	8577	213,419	
November 30, 2010	310,058	1,530	106,042	205,546	8577	214,123	
December 31, 2010	312,421	1,559	106,477	207,503	8577	216,080	
January 31, 2011	313,326	1,604	107,116	207,814	8577	216,391	
February 28, 2011	313,775	1,649	107,638	207,786	8577	216,363	
March 31, 2011	315,214	1,670	108,108	208,777	8577	217,354	
April 30, 2011	315,690	1,719	108,342	209,067	8577	217,644	
May 31, 2011	316,366	1,764	108,847	209,282	8577	217,859	
June 30, 2011**	158,768	903	54,643	105,029	4288.5	109,318	
Total	3,736,685	18,808	1,279,450	2,476,043	102,924	2,578,967	7,569
Average	311,390	1,567	106,621	206,337	8,577	214,914	

\* INCLUDES COMMON ALLOCATION AT 15%

\*\* EQUAL TO ONE-HALF OF THE BALANCE

CASE 09-G-0589  
 STAFF ESTIMATED AVERAGE NET PLANT - GAS\*  
 TWELVE MONTH ENDING JUNE 30, 2012  
 (\$000)

	<u>PLANT IN</u>	<u>RETIREMENT</u>	<u>DEPRECIATION</u>	<u>NET</u>	<u>NON-</u>	<u>PLANT</u>	<u>DEPRECIATION</u>
	<u>SERVICE</u>	<u>WORK IN</u>	<u>RESERVE</u>	<u>PLANT</u>	<u>BEARING</u>	<u>TARGET</u>	<u>EXPENSE</u>
		<u>PROGRESS</u>			<u>CWIP</u>		
June 30, 2011**	158,768	903	54,643	105,029	4455	109,484	
July 31, 2011	318,414	1,849	109,929	210,334	8910	219,244	
August 31, 2011	319,517	1,895	110,437	210,974	8910	219,884	
September 30, 2011	320,495	1,924	110,979	211,440	8910	220,350	
October 31, 2011	322,254	1,962	111,541	212,676	8910	221,586	
November 30, 2011	323,316	2,005	111,934	213,386	8910	222,296	
December 31, 2011	326,108	2,028	112,375	215,761	8910	224,671	
January 31, 2012	327,058	2,074	113,041	216,091	8910	225,001	
February 29, 2012	327,483	2,121	113,551	216,053	8910	224,963	
March 31, 2012	328,965	2,142	113,970	217,137	8910	226,047	
April 30, 2012	329,486	2,191	114,233	217,445	8910	226,355	
May 31, 2012	330,193	2,238	114,762	217,668	8910	226,578	
June 30, 2012**	165,699	1,142	57,593	109,248	4455	113,703	
Total	3,897,755	24,474	1,348,988	2,573,241	106,920	2,680,161	7,881
Average	324,813	2,040	112,416	214,437	8,910	223,347	

\* INCLUDES COMMON ALLOCATION AT 15%

\*\* EQUAL TO ONE-HALF OF THE BALANCE

CASE 09-G-0589  
 STAFF ESTIMATED AVERAGE NET PLANT - GAS\*  
 TWELVE MONTH ENDING JUNE 30, 2013  
 (\$000)

	<u>PLANT IN</u>	<u>RETIREMENT</u>	<u>DEPRECIATION</u>	<u>NET</u>	<u>NON-</u>	<u>PLANT</u>	<u>DEPRECIATION</u>
	<u>SERVICE</u>	<u>WORK IN</u>	<u>RESERVE</u>	<u>PLANT</u>	<u>INTEREST</u>	<u>TARGET</u>	<u>EXPENSE</u>
		<u>PROGRESS</u>			<u>BEARING</u>		
					<u>CWIP</u>		
June 30, 2012**	165,699	1,142	57,593	109,248	4695.5	113,944	
July 31, 2012	332,316	2,328	115,855	218,788	9391	228,179	
August 31, 2012	333,592	2,375	116,504	219,464	9391	228,855	
September 30, 2012	334,608	2,406	117,052	219,962	9391	229,353	
October 31, 2012	336,454	2,444	117,640	221,259	9391	230,650	
November 30, 2012	337,472	2,489	117,952	222,008	9391	231,399	
December 31, 2012	339,424	2,514	117,769	224,170	9391	233,561	
January 31, 2013	340,203	2,569	118,201	224,571	9391	233,962	
February 28, 2013	340,682	2,626	118,778	224,530	9391	233,921	
March 31, 2013	342,367	2,652	119,281	225,738	9391	235,129	
April 30, 2013	342,878	2,712	119,494	226,096	9391	235,487	
May 31, 2013	343,538	2,768	119,959	226,347	9391	235,738	
June 30, 2013**	172,443	1,409	60,219	113,633	4695.5	118,328	
Total	4,061,675	30,434	1,416,297	2,675,812	112,692	2,788,504	8,214
Average	338,473	2,536	118,025	222,984	9,391	232,375	

\* INCLUDES COMMON ALLOCATION AT 15%

\*\* EQUAL TO ONE-HALF OF THE BALANCE

Central Hudson Gas and Electric Corporation  
Case 09-G-0589

TOTAL O&M EXPENSE LEVEL

	5 year average
MAINS	\$ 131,078
SERVICES	\$ 308,128
<b>TOTAL</b>	<b>\$ 439,206</b>

**Central Hudson Gas and Electric Corporation  
Case 09-G-0589**

**Calculation Of Adjustment To O&M Expense Related To Net Negative Salvage On  
Account 376 - Distribution Mains**

**5 Year Average (TME 12/31/04 - 12/31/08)**

Negative Net Salvage in Depreciation Expense

**-60%**

YEAR	BOOK RETIREMENTS <sup>1</sup>	NET SALVAGE <sup>1</sup>	% NET SAL.
2004	\$ 149,384	\$ 213,544	-143%
2005	\$ 311,181	\$ 273,861	-88%
2006	\$ 315,118	\$ 178,349	-57%
2007	\$ 65,190	\$ 312,734	-480%
2008	\$ 46,794	\$ 209,501	-448%
<b>5 YEAR AVERAGE</b>	<b>\$ 177,533.40</b>	<b>\$ 237,597.80</b>	<b>-134%</b>

% Difference from -60%

**74%**

Forecast Rate Year O&M Expense  
Related to Expensing Net Negative Salvage Above 60%  
for **DISTRIBUTION MAINS**

**\$ 131,078**

**Central Hudson Gas and Electric Corporation  
Case 09-G-0589**

**Calculation Of Adjustment To O&M Expense Related To Net Negative Salvage On  
Account 380 - Services**

**5 Year Average (TME 12/31/04 - 12/31/08)**

Negative Net Salvage in Depreciation Expense

**-60%**

YEAR	BOOK RETIREMENTS <sup>1</sup>	NET SALVAGE <sup>1</sup>	% NET SAL.
2004	\$ 77,586	\$ 306,545	-395%
2005	\$ 143,368	\$ 360,497	-251%
2006	\$ 66,646	\$ 199,517	-299%
2007	\$ 150,548	\$ 470,514	-313%
2008	\$ 241,112	\$ 611,125	-253%
5 YEAR AVERAGE	\$ 135,852	\$ 389,640	<b>-287%</b>

% Difference from -60%

**227%**

Forecast Rate Year O&M Expense  
Related to Expensing Net Negative Salvage Above 60%  
for **SERVICES**

**\$ 308,128**