

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Central Hudson Gas & Electric Corporation

Case 08-E-0887 & 08-G-0888

November 2008

Prepared Exhibits (AP-3) through
(AP- 14) of:
Accounting Panel

Michael Summa
Public Utility Auditor II

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Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 407

From: Summa
Requested of: Brocks
Date of Request: 9/19/2008

Summa: For Central Hudson Witness Brocks:

407. In response to information request DPS 51, Central Hudson indicated that currently 13 individuals are scheduled to retire between July and December 2008.

- A. Please explain how if thirteen individuals are expected to retire between July and December 2008 that Central Hudson only forecasted ten employee losses from the end of the historic period to the start of the rate year.
- B. Does Central Hudson plan on filling the vacancies that occur do to retirement?
- C. If Central Hudson does plan on filling the vacancies, will the vacancies be filled to the beginning of the Rate Year ?
- D. In which positions(i.e. accountant, electrician, etc..) are the scheduled retirements do to occur?

Response

407.

a. b. and c. My testimony refers to a net change of 10 employees and the addition of a proposed 26 employees described in my exhibit TCB-1 for a rate year total of 846. As a result, my testimony indicates my anticipation that Central Hudson will be at a staffing count of 820 on June 30, 2009. Some vacancies will be filled while others will not be. We will be making decisions on which to fill and when as the retirements occur.

d. The known or announced retirements that will take place from July 2008 through June 2009 are now 15. The retirements will take place from the following positions: System Operator, Cost of Service Specialist, Director Operations Budget, Cleaning Worker(2), Engineering Drafter, Automotive & Hydraulic Partskeeper, Gas Mechanic (2), Field Clerk, Serviceworker, Line Foreman, Roving Chief Mechanic Operator, and Working Foreman LES&T (2).

Date of Response: 9/26/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 512

From: Summa
Requested of: Brocks
Date of Request: 9/30/2008

Summa: For Central Hudson Witness Brocks:

512. Exhibit TCB – 1 states that the Vice President of Human Resources role has grown to include the responsibility of serving as the Company’s Chief Ethics and Compliance Officer.

- a. Prior to the Vice President of Human Resources handling this role who in the company was responsible for serving as the Company’s Chief Ethics and Compliance Officer.
- b. B. Please provide a date of when the Vice President of Human Resources began serving as the Company’s Chief Ethics and Compliance Officer.

Response

512. a. Prior to the Vice President of Human Resources being assigned to the role of Chief Ethics and Compliance Officer no one served in the role.
- b. The Vice President of Human Resources began serving in the role of Chief Ethics and Compliance Officer on March 1, 2005.

Date of Response: 10/2/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 513

From: Summa
Requested of: Brocks
Date of Request: 9/30/2008

Summa: For Central Hudson Witness Brocks:

513. Exhibit TCB – 1 states that an Employee Benefits Analyst is warranted to support the planning and administration of increasingly complex benefit plans.
- a. How many employees currently handle the planning and administration of the benefit plans?
 - b. B. Who in the Company currently interacts with various providers of the VEBA's, the defined benefit plan, and the defined contribution plan?

Response

- a. The planning and administration of the benefit plans is primarily managed by a committee of company personnel. The committee consists of 5 individuals that function as the policy making committee of the company. The work that is generated by the committee is typically managed and implemented by one individual in Human Resources (the Director of Compensation and Benefits).
- b. The Vice President of Accounting who also functions as the Chairwoman of the Company's benefits committee and the Director of Compensation and Benefits.

Date of Response: 10/3/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 514

From: Summa
Requested of: Brocks
Date of Request: 9/30/2008

Summa: For Central Hudson Witness Brocks:

514. Exhibit TCB – 1 states that two Systems Analysts are warranted due to an extensive information technology infrastructure to support its obligation to deliver safe and reliable electric and natural gas service. How many employees are currently assigned to handle the above responsibility?

Response

There are 34 employees assigned to the Information Technology Department. Two additional Analysts are currently required due to IT projects underway and future projected systems which will expand the IT software and hardware infrastructure significantly. This increases technical complexity, scope and breadth of the software and hardware and results in an increase in the IT resources needed to provide adequate and ongoing day-to-day support.

The enhancement to the CSR interface to our Customer Information System (CIS) adds an additional layer of software on top of CIS. This is an additional software layer significantly increases the number of objects which must be supported, maintained, modified and tested by software developers in order to keep the system current with evolving business needs.

Also, a number of new and additional systems are being installed such as the planning, budgeting, forecasting and reporting system from Clarity; The Jacada Graphical User Interface (GUI) for use in the Call Center; the Enterprise GIS or GIS Data Warehouse. These additional systems require additional systems administration resources for servers, software and networks and database administration resources to setup, maintain and support relational and analytical databases.

Date of Response: 10/3/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 515

From: Summa
Requested of: Brocks
Date of Request: 9/30/2008

Summa: For Central Hudson Witness Brocks:

515. Exhibit TCB – 1 references new IT projects as rationale for a new system analyst positions.

- a. Please describe the IT projects that are currently underway at Central Hudson.
- b. Does Central Hudson currently have existing employees working on the new IT projects? If so, how many?

Response

- a. Please refer to Central Hudson's response in PSC staff interrogatory number 514.

For those projects that are underway there are six employees assigned on an intermittent basis to be accomplished together with other day to day responsibilities these individuals are assigned to. The day to day full time activities of the six employees involves modifying and enhancing our in-house developed systems such as CIS, MMS, FAS and providing server systems management, security administration, patch management, database administration, problem troubleshooting and remediation.

The new projects work related to installing and configuring the new application software is performed by the contractors. The six employees, from systems development and technical support, provide the intermittent resources to integrate and interface the new systems with existing systems and to install and configure the new servers, operating systems and databases.

Once the system is in service and the contractors leave, then ongoing and dedicated full time support is needed beyond the intermittent time applied currently.

Date of Response: 10/3/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 516

From: Summa
Requested of: Brocks
Date of Request: 9/30/2008

Summa: For Central Hudson Witness Brocks:

516. Exhibit TCB – 1 references enhancement to the CSR interface related to the CIS as rationale for the new system analyst position. Please explain why the above referenced enhancement does not fall within the current scope of the existing system analyst's job requirements.

Response

Ongoing maintenance and support of the enhancement to the CSR interface to our Customer Information System (CIS) does indeed fall within the scope of the job requirements of CIS support analysts. My exhibit pointed out that there are new systems requiring this kind of attention, specifically referring to: New IT projects that are underway and projected systems and projects that will expand this infrastructure significantly including recognizing the continued shift from centralized legacy mainframe systems to network based open systems, internet technologies and systems integration of software packages. The enhancement adds to the CIS support workload by adding a software layer on top of CIS. This significantly increases complexity due to the number of software objects which must be supported, maintained, modified and tested by software developers in addition to and in conjunction with CIS software, in order to keep the system current with evolving business needs. This significant additional workload requires additional resources to accomplish the work in a timely manner.

Date of Response: 10/3/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 517

From: Summa
Requested of: Brocks
Date of Request: 9/30/2008

Summa: For Central Hudson Witness Brocks:

517. Exhibit TCB – 1 references additional technical support resources as rationale for a new system analyst position. Please explain why this does not fall within the current scope of the existing system analysts workload.

Response

Ongoing technical support and systems administration of computer systems does indeed fall within the scope of the job requirements of the technical support analysts, but these requirements are growing. My exhibit pointed out that there are new systems requiring this kind of attention, specifically referring to: New IT projects that are underway and projected systems and projects that will expand this infrastructure significantly including recognizing the continued shift from centralized legacy mainframe systems to network based open systems, internet technologies and systems integration of software packages. For example, the planning, budgeting, forecasting and reporting system from Clarity; The Jacada Graphical User Interface (GUI) for use in the Call Center; the Enterprise GIS or GIS Data Warehouse are each another system requiring additional systems administration for the servers, the software and the networks, as well as the database administration to set up, maintain and support relational and analytical databases. This incremental workload is significant, requiring an additional systems analyst to perform the work in a timely manner to permit the Company to keep up with continually evolving requirements.

Date of Response: 10/2/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 518

From: Summa
Requested of: Brocks
Date of Request: 9/30/2008

Summa: For Central Hudson Witness Brocks:

518. Exhibit TCB – 1 states that the cash management function has experienced an increase in workload. Please provide a date of when the cash management function began to experience an increase in workload.

Response

The increase in workload described in Exhibit TCB-1 has been gradual. Workload for the cash management function has grown with the increased volume of electronic transactions and higher working capital needs of Central Hudson in recent years. This growth is expected to continue. The new position is also intended to contribute toward an improvement in the effectiveness of the cash management function by enabling increased focus on Central Hudson's treasury operations and researching and implementing best practices.

Date of Response: 10/6/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 50

From: Summa
Requested of: Brocks
Date of Request: 8/22/2008

Summa: For Central Hudson Witness Brocks:

- 50) It is stated on page 4 of your testimony that Central Hudson does not expect to fill all of the new positions it is requesting by the start of the rate year.
- a. How many positions does Central Hudson intend to fill by the beginning of the Rate Year?
 - b. How many positions does Central Hudson intend to fill during the rate year?

Response:

50a. and b. As explained in my testimony and shown in my exhibit, each of the positions has specific responsibilities. In the recent Con Ed electric rate case, the company's proposed positions were litigated and reviewed by the Commission. As a result, Central Hudson believes that it is not in a position to offer permanent positions until the Commission's review has been completed. If that review were to be completed in advance of the start of the rate year, Central Hudson will make commercially reasonable efforts to fill all approved positions by the beginning of the rate year.

As soon as Central Hudson has a definitive commitment from the Commission regarding its request for the sixteen additional positions, it will begin the processes to hire the individuals for the approved positions.

Date of Response: 8/26/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 524

From: Summa
Requested of: Brocks
Date of Request: 9/30/2008

Summa: For Central Hudson Witness Brocks:

524. Did the Company make any potential off-setting cost savings adjustments in the filing to reflect the addition of the incremental employees?

Response

Yes. All incremental employees were assumed to be added as the cost levels that reflect the significant reductions in benefits costs that the Company has achieved.

Date of Response: 10/3/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 578

From: Summa
Requested of: Brocks
Date of Request: 10/9/2008

Summa: For Central Hudson Witness Brocks:

578. In response to Staff IR DPS 524, the Company stated potential off-setting cost savings adjustments related to the incremental employees were reflected in the filing by adding the employees at a cost level that reflect the recent reductions in benefits. Besides reflecting the adjustments in the in benefits did the Company make any other potential off-setting cost saving adjustments in the filing related to the incremental employees?

Response

As explained in my testimony, the number of requested increased employees is based on assessments of incremental work requirements. Thus the Company proposes to add employees in a cost effective fashion. This represents cost savings as compared to adding employees absent the analyses done by the Company.

Date of Response: 10/15/2008
Response by: Thomas C. Brocks

Central Hudson Gas & Electric Corporation
Case Nos. 08-E-0887 & 08-G-0888
Response to Staff Information Request No. 579

From: Summa
Requested of: Brocks
Date of Request: 10/9/2008

Summa: For Central Hudson Witness Brocks:

579. Does the Company believe that an increase in the number of employees will lead to an increase in productivity?

Response

An increase in the number of employees related to an increase in work requirements will generally require increased management effort to retain the pre-existing level of productivity in an organization.

Date of Response: 10/17/2008
Response by: Thomas C. Brocks