

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Central Hudson Electric and Gas Corporation
Cases 08-E-0887 and 08-G-0888
November 2008

Exhibits of:

Frances E. Hart
Utility Analyst III
Office of Industry and Government
Relations and Office of Energy
Efficiency and the Environment
State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

Summary of Prior Work Experience			
Employer	Dates	Title	Major Responsibilities
NYS Dept of Public Service	2/07 - 4/08	Utility Analyst III - Office of Electricity & Environment (2/07 - 10/07); Utility Analyst III - Office of Energy Efficiency & Environment (10/07 - Present)	Electric and Gas Migration Reports; Environmental Disclosure Label Administrator; respond to inquiries/complaints on compliance with Uniform Business Practices; conduct periodic surveys of suppliers offering green products; assist in development of system specifications for a generation tracking system. Monitor compliance with EDI Phase II/III testing requirements.
NYS Dept of Public Service	01/04 - 2/07	Utility Analyst III - Office of Retail Market Development	Revisions to EDI Data Standards and Uniform Business Practices to accommodate HEFPA changes and/or new program initiatives. Monthly Electric and Gas Migration Reports; operating procedures for ESCO Price Reporting; monitor compliance with UBP ESCO Eligibility requirements; monitor participants in utility ESCO Referral Programs; handle/refer ESCO complaints; resolve disputes between utilities and ESCOs; monitor compliance with unbundling order bill format requirements; assist at DPS sponsored outreach events. Monitor compliance with EDI Phase II/III testing requirements.
NYS Dept of Public Service	10/01 - 12/03	Utility Analyst III - Electric Division (Retail Competition Unit) (9/03 - 12/03) Utility Operations Examiner III - Electric Division (Retail Competition Unit) (10/01 - 9/03)	Development of new EDI data standards; draft EDI orders; participate in revisions to Uniform Business Practices; monitor competitive metering proceeding; electric migration reports. Monitor compliance with EDI Phase II/III testing requirements.
NYS Dept of Public Service	1/99 - 10/01	Utility Operations Examiner II - Electric Division (Retail Competition Unit)	Coordinated activities of the EDI Collaborative (with John D'Aloia) in developing EDI data standards and testing procedures for statewide implementation of EDI systems; wrote session memorandums and draft orders; managed consultant hired to assist in standards development. Continued to participate in two national groups working on the development of a national retail market infrastructure.
NYS Dept of Public Service	11/96 - 1/99	Utility Operations Examiner II - CPIS	Examination of savings to be gained from merger of Brooklyn Union and Long Island Lighting; evaluation of utility systems capability to accommodate developing retail access market; initiation of Electronic Data Interchange (EDI) Collaborative; participation in national effort to develop retail access business rules. Initiation of development of NYS Uniform Business Practices. Development of electric migration reporting requirements.

NYS Dept of Public Service	6/90 - 11/96	Associate Policy & Compliance Analyst - Consumer Services	Analysis of the customer services operations of utilities including applications for service, inquiry/complaint handling, metering, billing and collections procedures, and overall customer service quality. Development of service quality incentive programs; HEFPA compliance audits; development of competitive metering policies; Jamaica Water investigation (billing, payment processing, computer systems, collections). Operational audit of LILCO Customer Service Incentive Program; development of ESCO Oversight Requirements (eventually codified in Op. 97-5).
NYS Dept of Public Service	11/88 - 6/90	Utility Operations Examiner I - Operational Audit	Examination and Report on Fuel Purchasing Practices of Rochester Gas & Electric Corporation (from Syracuse Field Office)
NYS Dept of Public Service	8/84 - 11/88	Public Utilities Auditor I - Acct & Finance (Systems Section)	Coordinated a year long task force charged with revising the Uniform System of Accounts for Telephone Companies. In addition, reviewed utility petitions for deferred accounting treatment, proposed modifications in accounting policies for non-regulated activities including affiliate transactions; drafted order on adoption of Accounting Technical Release #17 pertaining to accounting for certain demonstration projects; proposed revised procedures for tracking legal expenses and participated in several rate proceedings focusing on allowances for various O&M expenses.
Banker's Trust Company of Albany	1/82 - 08/84	Operations Analyst - Bank Operations Department	Analysis and recommendations on internal control weaknesses in the handling of cash. Investigation of \$10,000 loss in bank's Federal Reserve account; managed bank's telephone expenditures (recovered \$30,000 associated with billings for equipment no longer in place), assisted in an FBI investigation of a loan kickback scheme; revised bank's record retention policy.
Banker's Trust Company of Albany	8/80 - 1/82	Commercial Credit Analysis- Loan Department	Analyze financial data on loan accounts and prepare written recommendations on security, debt coverage, repayment schedules, etc. In preparation for restructuring of bank departments, I documented current procedures for all major functions in the loan department and developed work flow charts for each position.
SUNYA School of Social Welfare, School of Continuing Education, Planning & Evaluation Unit	1/78 - 3/80	Social Services Research & Training Project Associate	Curriculum development (fiscal analysis, budgeting and fiscal planning), preparation of training materials and conducting training sessions for mid and upper level managers in county departments of social services.

Welfare Research, Inc.	9/76 - 10/77	Research Associate	Part of 3-person team conducting a study of court related children and their placement options. My tasks included development of the data collection instrument and a training manual for the data collection team; scheduling and managing the data collectors; conducting interviews with court and probation personnel; and writing sections of the final report.
Welfare Research, Inc.	9/75 - 9/76	Administrative Assistant	Member of team conducting a national study of adoption services. I was responsible for federal and state status reports, scheduling and conducting interviews, and recommendations on a model state adoption payment system.
NYS Department of Social Services	11/74 - 8/75	Social Services Program Specialist	Part of a team responsible for developing a grant program to be administered by the Department; developed grant application forms and post grant budgeting and accounting forms for ongoing status reports on grant projects.
NYS Department of Social Services	7/74 - 10/74	Social Services Program Specialist	Headed a 10 person task force charged with designing incentive based rates for residential care facilities.
NYS Department of Social Services	2/74 - 7/74	Social Services Program Specialist	Study and recommendations for statewide payment standards for foster care services; developed chart of accounts for use by residential facilities in reporting income and expenses
NYS Department of Social Services	5/73 - 1/74	Public Administration Intern/ Social Services Asst	Part of a six person team responsible for statewide implementation of the Supplemental Security Income Program
Rensselaer County Office for Aging - Kennedy Towers Senior Citizen Center	7/72-9/72	Acting Director	Develop Programs for Seniors, Writing Newsletter, Supervising Aides, Planning Menus, Counseling and Referral Services
Rensselaer County Dept of Social Services	2/70 - 9/71	Caseworker	Income Maintenance Programs; Housing Assistance

Summary of Previous Testimony			
Case	Date	Company	Purpose
94-E-0334	Oct-94	Con Edison	Service Quality Panel (w/Persad Seemungal) recommended a revised electric Customer Service Quality Incentive Program that was included, as modified during negotiations, in a Joint Proposal subsequently approved by the Commission in Opinion 95-3.
93-E-1123	May-94	Long Island Lighting Company	Service Quality Panel (Elberfeld & Hart) proposed performance based service indicators. I also proposed in separate testimony to the need for more public involvement in the utility's program planning and more effective O&E initiatives particularly with regard to Demand Side Management Programs (excessive spending on media advertising with no documented results).
93-G-0996 93-S-0997	Pre Filed Feb-04	Con Edison	Proposed performance indicators for both gas and steam service were subsequently included a Joint Proposal for a three year rate agreement for both gas and steam service. The JP was subsequently adopted by the Commission (Opinion 94-21).
91-E-0462	Sep-91	Con Edison	Examine rate allowance for the Outreach & Education Program, the proposed creation of an Office of Public Affairs, and rate base additions for a Customer Services System Project. Recommended (1) focus O&E efforts on root causes of high bill complaints and (2) do better job of promoting/educating customers on voluntary and mandatory TOU rates and availability of special meter reads, (3) reduce rate base additions by \$25 million pending more certainty regarding the roll out of a company proposed work station project and planned upgrade of its CIS system and (4) require Company to file status reports on the systems projects.
90-E-1185 91-G-0112	May-91	Long Island Lighting Company	Examine rate year request for revenues associated with: customer billing, resolving customer complaints, handling new service applications, outage notification, consumer education programs, collections, computer systems used for customer service functions, cost of new initiatives proposed by Company that would have a direct customer impact. Recommended (1) sponsoring a witness in future proceedings competent to testify on service quality, (2) providing more detailed work papers on advertising expenditures, (3) reduce proposed labor additions, (4) postpone weather normalization for gas and (5) adopting a customer service performance incentive plan (item 5 adopted in Opinion 91-25). As part of the Accounting Panel my recommendation was to adjust the loss factor proposed by LILCO and the change the method for determining the uncollectible loss factor in future proceedings.
90-E-0647 90-G-0649 91-G-0648	Jan-91	Rochester Gas & Electric	Recommended that future rate filings provide more detail regarding expenditures related to customer service functions and sponsor a witness competent to testify regarding service quality.

90-W-0458	Oct-90	Country Knolls Water Works, Inc.	Evaluation of Customer Service Operations and Company's capability to comply with revised NYCRR Part 14 in effect 1/22/91. Examined procedures for processing applications for service, billing and collections, handling of customer inquiries/complaints, recordkeeping and outreach & education. Recommended replacing billing & acctg software, restructuring to provide for a full time manager, accruing late payment charges monthly and improving collections.
29670	Jan-88	Niagara Mohawk Gas & Electric	Recommended procedures for reconciling bills for telecommunications expenditures and tracking construction allocations (Testimony prepared but never filed; case settled)

From: Hart
Requested of: Van Tassell
Date of Request: 8/27/2008

Hart: For Central Hudson's Witness Van Tassell:

158) Please identify and explain what you believe to be the most significant factors contributing to the increase in electric and gas migration between December 2006 and June 2008 (see page 2, lines 13 – 22).

Response: I believe the increases in electric and gas migration between December 2006 and June 2008 have been caused primarily by two major groups of events. First, customers are well aware of the undeniably rapid and steep increases in the price they pay for all types of energy. I believe this has motivated many to seek alternatives, including alternative suppliers for their electricity and natural gas. Second, customers have been the targets of a great deal of marketing and media information in the past few years that has likely heightened interest in shopping. This information has come from ESCOs, utilities, the Commission and general news sources. Much, if not all of that marketing and information has been specifically targeted at encouraging customers to consider shopping for energy.

Date of Response: 9/3/2008
Response by: James Van Tassell

Central Hudson Typical Bill Comparison								
	Residential		Commercial		Residential		Commercial	
	Electric		Electric		Gas		Gas	
	500 KWH*	% Chg from 2006	9000 KWH (25% LF)*	% Chg from 2006	50 CCF*	% Chg from 2006	1000 MCF*	% Chg from 2006
Jul-03	\$50.42		\$757.14		\$61.77		\$8,607.92	
Jul-06	\$59.31		\$917.74		\$76.50		11,569.23	
Jul-07	\$73.07	+23.2%	\$1,125.40	+22.6%	\$97.84	+27.9%	13,621.64	+17.7%
Jul-08	\$82.04	+38.3%	\$1,260.05	+37.3%	\$123.03	+60.8%	\$18,664.54	+61.3%
* Source - Typical Customer Bill Information Posted on the Department of Public Service Web Site								

From: Hart
Requested of: Van Tassell
Date of Request: 9/19/2008

Hart: For Central Hudson Witness Van Tassell:

378) Central Hudson's ESCO Referral Program was authorized in an order issued December 22, 2005 (Case 05-M-0332). Please provide the date this program was actually implemented in Central Hudson.

Response: Following the December 22 Order, the Company conducted CSR training, initiated an advertising program, recruited ESCOs to participate, and established and trained a contract call center to handle enrollments and questions. The program was implemented in April 2006.

Date of Response: 9/23/2008
Response by: James Van Tassell

From: Hart
Requested of: Van Tassell
Date of Request: 9/19/2008

Hart: For Central Hudson Witness Van Tassell:

379) Please provide the number of (a) electric and (b) gas customers that enrolled with an ESCO through ESCO Referral in (1) 2006, (2) 2007 and (3) year to date 2008.

Response:

Year	Electric Enrollments	Gas Enrollments
2006	459	105
2007	11	8
2008 (YTD)	11	3

Date of Response: 9/23/2008
Response by: James Van Tassell

From: Hart
Requested of: Van Tassell
Date of Request: 8/27/2008

Hart: For Central Hudson's Witness Van Tassell:

156) Please list the dates for Market Expos and Energy Fairs conducted in the last three years and indicate the number of participants for each (see page 4, line 4).

Response: The dates of the Market Expos and Energy Fairs are shown below. The attendance numbers for the Energy Fairs are approximate, as we did not require residential customers to sign-in. Central Hudson did not conduct Market Expos or Energy Fairs in 2007 due to non-participation by ESCOs.

<u>Date</u>	<u>Number of Participants</u>	
	<u>Market Expos</u>	<u>Energy Fairs</u>
April 21, 2005	40	
September 27, 2005		410
September 28, 2005		750
September 29, 2005		340
June 7, 2006	55	
June 13, 2006	45	
September 11, 2006		280
September 12, 2006		350
September 13, 2006		270

In addition to the events above, Central Hudson, in response to customer concerns regarding the scheduling of the September 2005 Energy Fairs, hosted four Informational Meetings for customers, at which approximately 1,700 customers attended over the four informational meetings.

Date of Response: 9/3/2008
 Response by: James Van Tassell

From: Hart
Requested of: Van Tassell
Date of Request: 8/27/2008

Hart: For Central Hudson's Witness Van Tassell:

159) Please describe in detail the proposals for the Competition Education Campaign Fund discussed by the 'collaborative of interested parties' (see page 4, lines 19-23).

Response: There are 12 proposals presented by members of the Collaborative. Some of these were presented subsequent to the preparation of my testimony, and therefore are not reflected either in the testimony or the cost estimate.

1. Pricing Proposal – A plan to have Central Hudson make available rates for use in the consolidated billing service that are indexed to the Company's rates, allowing ESCOs to select a price that is equal to Central Hudson's price, plus or minus a specified dollar amount, or a specified percentage.
2. Survey Proposal - A proposal to survey customers who have not switched to an ESCO, in an effort to discover what has kept them from switching.
3. Invoice Access Proposal – A proposal to make available to ESCOs, through the Company's website, live access to customer invoices (bills).
4. Enhanced Market Match Proposal – Essentially, an eBid proposal, that would provide a venue at the Company's website to permit ESCOs to respond directly to customer requests for price quotes, and allow the parties to reach agreement, without direct contact.
5. Cost Study Savings Proposal – A proposal to calculate the actual savings experienced by ESCO customers, as compared to full service utility prices.
6. Marketing Practices Communication Proposal – A proposal to educate customers about the types of marketing techniques that ESCOs may use, and to help them understand and make good choices.
7. Call Center Support Proposal – A proposal to use a dedicated specially trained call center to provide quicker and more focused handling of inbound and outbound customer calls regarding choice matters.
8. Website Update Proposal – A proposal to make use of several "best practices" to add functionality to the customer choice section of the Company's website.
9. Communication With Non-Switching Customers – A proposal to make direct outreach to all customers who have not switched, offering information and assistance.
10. ESCO Training Proposal – A proposal to have Central Hudson provide training for ESCO marketing staff regarding the Company's rates, billing practices and pricing, to allow them to provide correct information to customers.
11. Remote Access Funding Proposal – A proposal to provide ESCOs with remote access to customer account information.
12. Enhanced Mailing Functions Proposal – A proposal to provide improved identification of ESCO customers for selective inserting, and to enhance ESCO presentation on consolidated bills.

Subsequent to the preparation my testimony, the Collaborative met to discuss the proposals. As a result of these discussions, four of the proposals (numbers 3, 5, 7 and 11) were rejected by the Collaborative. There are no costs related to the rejected proposals included in the Competition Education Campaign Forecast in Exhibit (JRV-2).

From: Hart
Requested of: Van Tassell
Date of Request: 10/2/2008

Hart: For Central Hudson Witness Van Tassell

528) Please provide the day-to-day operating expenses incurred during the test year for the ESCO Referral Program.

Response: Central Hudson did not promote the Energy Switch program during the test year, no system changes were made, and enrollment was very low. So the only cost incurred was a minimal amount of Company labor (Call Center staff) necessary to explain the program to those customers who requested information, but it is not feasible to provide a numerical estimate.

Date of Response: 10/ /2008
Response by: James Van Tassell

From: Mager
Requested of: Van Tassell
Date of Request: 10/31/2008

Mager: For Central Hudson Witness Van Tassell

77. With respect to Central Hudson's response to Multiple Intervenors' Data Request No. 39, explain whether Central Hudson still proposing to spend \$351,000 during the Rate Year on the Customer Education Campaign to "promote customer migration" in light of the Order Determining Future of Retail Access Programs, issued by the New York State Public Service Commission on October 27, 2008 in Case 07-M-0458. Additionally, identify other components of the proposed electric and gas revenue requirements that can be attributable to efforts to promote customer migration to competitive commodity supplies and explain whether Central Hudson is proposing any modifications to such expenditures in light of the aforementioned decision.

Response: The recent Commission Order in C.07-M-0458 directs that the obligation for funding promotional programs be switched to ESCOs. The Order also relieves the Company of the obligation to conduct certain customer and ESCO surveys. Contained in the Company's rate year forecast is \$189,000 of electric expense and \$33,000 of gas expense intended for these activities. These amounts could be removed from the Company's rate year revenue requirement.

The rate year forecast also includes \$107,000 (\$91,000 electric, \$16,000 gas) relating to several initiatives that were negotiated in the Company's Commission-ordered retail access collaborative. The Company expects to fulfill those commitments, unless directed otherwise by the Commission.

The rate year forecast also includes \$22,000 of miscellaneous costs, primarily for customer communication, that would need to be transferred to another cost category if funding for the competition education campaign is eliminated.

There are no other separate cost components that are directly attributed to efforts to promote customer migration.

Date of Response: 11/18/2008
Response by: James Van Tassell