

BEFORE THE  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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In the Matter of  
Central Hudson Gas & Electric Corporation

Cases 08-E-0887 & 08-G-0888

November 2008

REDACTED

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Prepared Exhibits of:

Michael M. Twergo  
Utility Supervisor

Electric Rates & Tariffs Section  
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State of New York  
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Central Hudson Gas & Electric Corporation  
Case Nos. 08-E-0887 & 08-G-0888  
Response to Staff Information Request No. 439

From: Twergo  
Requested of: Electric Forecasting Panel  
Date of Request: 9/23/2008

**Twergo: For Central Hudson's Electric Forecasting Panel (Bunt and Powers):**

439) The electric RDM methodology proposed by the Company does not reconcile MFC-related revenues for retail access customers associated with differences in the sales volumes compared to forecast. For example, if a retail access customer reduced their kWh consumption, all else being equal, the MFC lost revenues associated with such conservation would not be captured by the company's proposed RDM mechanism. Please state whether the Panel agrees with this statement.

**Response:** The Panel agrees that in the specific example of a retail access customer with an actual sales volume less than that assumed in the development of delivery rates, as stated in the question, the RDM proposed by the Company would not recover the MFC-related revenues assumed in the design of the delivery rates.

- a. If not, please explain exactly how the proposed RDM mechanism would capture sales-related MFC revenue differences (actual vs forecast) for retail access customers.

**Response:** Not applicable.

Date of Response: 10/3/2008  
Response by: Electric Forecasting Panel (Bunt and Powers)





Central Hudson Gas & Electric Corporation  
Case Nos. 08-E-0887 & 08-G-0888  
Response to Staff Information Request No. 446

From: Puran  
Requested of: Electric Forecasting Panel  
Date of Request: 9/26/2008

**Puran: For Central Hudson's Electric Forecasting Panel (Bunt and Powers):**

446) Please explain why the sales reductions attributable to EEPS were only allocated to SC 1, SC 2 and SC 3.

**Response:** The sales reductions allocations to SC Nos. 1, 2 and 3 reflect the underlying EEPS programs that are directed to residential and small commercial and industrial customers.

- a. For those service classifications that were not allocated EEPS-related sales reductions, please explain why each specific service classification was not allocated any sales reduction.

**Response:** SC Nos. 5, 8 and 9 were not allocated any EEPS-related sales reductions as these are lighting classes (area, street and traffic, respectively) with no currently identified EEPS programs. The same justification holds for SC No. 13 (transmission and substation service). It should also be noted that MI has opposed the application of any EEPS costs to large customers. No EEPS-related sales reductions were allocated to SC No. 14, as a separate forecast for this class was not developed. As indicated in testimony at page 29, lines 1 through 7, forecasted customers and sales for SC No. 14 were included in the forecasts for the respective parent service classifications. EEPS-related sales reductions were not allocated to SC No. 6 (residential time-of-use) for forecast simplicity based on this class' small proportion of sales and customers relative to the total of SC Nos. 1 and 6 (for the Rate Year, SC No. 6 represents 1.5% and 0.7% of forecasted sales, excluding post-forecast adjustments, and customers, respectively).

Date of Response: 10/1/2008  
Response by: Electric Forecasting Panel (Bunt and Powers)

Central Hudson Gas & Electric Corporation  
Case Nos. 08-E-0887 & 08-G-0888  
Response to Staff Information Request No. 146

From: Twergo  
Requested of: Electric Forecasting Panel  
Date of Request: 8/27/2008

**Twergo: For Central Hudson's Electric Forecasting Panel (Bunt and Powers):**

- 146) Please qualitatively explain how the Purchased Power Adjustment (PPA) factor of the ECAM is proposed to be allocated to each service class or subclass during the rate year.

**Response:** The Company has not proposed any changes to the manner in which the PPA is recovered from/refunded to customers. As a result, the Company is proposing to continue to apply the PPA factor on a per kilowatthour basis to all billed delivery sales, as has been done since November 1, 2001.

Date of Response: 9/2/2008  
Response by: Electric Forecasting Panel (Bunt and Powers)

Central Hudson Gas & Electric Corporation  
Case Nos. 08-E-0887 & 08-G-0888  
Response to Staff Information Request No. 498

From: Twergo

Requested of: Electric Forecasting Panel and Company Witness Arvidson

Date of Request: 9/30/2008

**Twergo: For Central Hudson's Electric Forecasting Panel (Bunt and Powers) and Company Witness Arvidson:**

- 498) Central Hudson's response to DPS-148 qualitatively explained how the costs (e.g. capital, O&M, etc) of Nine Mile Point 2 (NMP2) were allocated to the classes/subclasses immediately prior to its sale (e.g. plant using average & excess method, fuel using class kWh, etc.).
- a. During the period NMP2 was in Central Hudson's rate base, did the classification/allocation of NMP2 nuclear production plant costs vary from the 38% demand-related and 62% energy-related indicated in the response to DPS-148?

**Response:** Yes.

- b. If the answer to (a) is yes, please provide the history of classification/allocation factors for NMP2 nuclear production plant.

**Response:** A reasonable investigation of available records indicates that production costs (excluding Danskammer coal conversion costs) were allocated 25% to demand and 75% to energy in Cases 89-E-107 and 91-E-0506.

Date of Response: 10/7/2008

Response by: Electric Forecasting Panel (Bunt and Powers) and Witness Arvidson

Central Hudson Gas & Electric Corporation  
Case Nos. 08-E-0887 & 08-G-0888  
Response to Staff Information Request No. 148

From: Twergo  
Requested of: Electric Forecasting Panel  
Date of Request: 8/27/2008

**Twergo: For Central Hudson's Electric Forecasting Panel (Bunt and Powers):**

- 148) Please qualitatively explain how the costs (e.g. capital, O&M, etc) of Nine Mile Point 2 (NMP2) were allocated to the classes/subclasses immediately prior to its sale (e.g. plant using average & excess method, fuel using class kWh, etc.).

**Response:** Case 96-E-0909 is the last case in which NMP2 was reflected for rate setting purposes. The nuclear production plant cost allocation from Staff's embedded study in Case 92-E-1055, where fixed costs were 38 percent demand-related and 62 percent energy-related, and variable (fuel) costs were allocated entirely to energy, was used in Case 96-E-0909.

Date of Response: 9/9/2008  
Response by: Electric Forecasting Panel (Bunt and Powers)

**Central Hudson Gas & Electric Corporation**  
**Case Nos. 08-E-0887 & 08-G-0888**  
**Data From: Response to Staff Information Request No. 135 - CONFIDENTIAL**  
**Rate Year Billing Demand (kW)**

**Service Classification 13 - Substation**

	A	B	C	D	E	F	G	Average	Standard Deviation	Coefficient of Variation
July-09										
August-09										
September-09										
October-09										
November-09										
December-09										
January-10										
February-10										
March-10										
April-10										
May-10										
June-10										
Average										

