

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

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Prepared Exhibits of:

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State of New York  
Department of Public Service  
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Central Hudson Gas & Electric Corporation  
Case Nos. 08-E-0887 & 08-G-0888  
Response to Staff Information Request No. 548

From: Puran  
Requested of: Electric Forecasting Panel  
Date of Request: 10/2/2008

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

- 548) Please refer to rows 68 through 83 of the spreadsheet Electric Revenue Allocation.xls, provided by the Company in response to Staff's Information Request 27. In columns E and H, the Company reduced rate-year sales (after post-forecast EEPS and Net Metering adjustments) by forecasted dual billed sales and retail access sales, respectively, in order to calculate the total estimated MFC revenues for the rate year.
- a) Please explain why the company reduced the sales in columns E and H in order to calculate the total estimated MFC revenues for rate year.
  - b) By reducing the sales in columns E and H, would the Company be in effect collecting loss revenues associated with the sales reduction (retail access related) through base rates?

**Response (a & b):** The intent of the Company's calculation is to recognize that the column titled "(8) Base Rates" (cells I15 through I32) in the aforementioned spreadsheet includes MFC revenue, and to allocate the revenue increase between base delivery rates and MFCs. However, by reducing forecasted total deliveries for forecasted dual billed deliveries and forecasted retail access deliveries, the Company inadvertently included MFC lost revenues for the forecasted dual billed and retail access delivery levels in the portion of the revenue increase allocated to base delivery rates.

- c) Please provide a detailed price-out (showing the billing determinants and rates used) to calculate the "Current MFC Revenues in Base Rates" shown in column L.
  - i. Please recalculate and provide the correct amounts if there were errors in the initial calculations.

**Response:** The derivation of "Current MFC Revenues in Base Rates" is summarized in the accompanying file titled "PSC IR 548.xls" and was previously provided to Staff in the work papers provided in response to Staff IR 27. Specifically in the following spreadsheets:

SC 1 revenue.xls  
SC 2 revenue.xls  
SC 3 revenue.xls

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SC 6 revenue.xls  
SC 13 revenue.xls  
sc5frcst.xls  
sc8frcst.xls  
SC 1 post fcst rev.xls  
SC 2 post fcst rev.xls  
SC 3 post fcst rev.xls  
PV Net Metering.xls  
MFC Revenue.xls

The aforementioned derivation is based on the sum of the monthly amounts calculated in the work papers referenced above and therefore differs slightly from the amount that would be calculated if derived on an annual, rather than monthly basis. The derivation on an annual basis is provided in the accompanying file titled "PSC IR 548.xls."

Date of Response: 10/16/2008  
Response by: Electric Forecasting Panel (Bunt and Powers)



Central Hudson Gas & Electric Corporation

Base Revenue Increase Adjusted for Incremental MFC Revenues and Lost Revenues Recovery in Base Delivery Rates

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Estimated MFC Revenue at Proposed MFC Rates Assuming no Retail Access	Estimated MFC Revenue at Current MFC Rates Assuming no Retail Access	Incremental MFC Revenues at Proposed MFC Rates Assuming no Retail Access	Adj Base Rev Increase Without Lost Revenue Recovery	Lost Revenues to be Recovered in Base Delivery Rates	(5) + (6)
Base Revenue Increase from Exhibit (VVP-2)							
Total	\$ 17,168	\$ 12,989	\$ 8,292	\$ 4,697	\$ 12,471	\$ 2,870	\$ 15,341
SC 1 Residential	\$ 11,475	\$ 7,425	\$ 6,531	\$ 894	\$ 10,581	\$ 161	\$ 10,742
SC 2 Non Demand	\$ 1,819	\$ 315	\$ 123	\$ 192	\$ 1,627	\$ 103	\$ 1,730
SC 2 Secondary	\$ 1,802	\$ 2,658	\$ 1,040	\$ 1,618	\$ 184	\$ 869	\$ 1,053
SC 2 Primary	\$ 300	\$ 394	\$ 154	\$ 240	\$ 60	\$ 129	\$ 189
SC 3 Primary	\$ 238	\$ 451	\$ 69	\$ 382	\$ (144)	\$ 361	\$ 217
SC 5 Area Lighting	\$ 193	\$ 24	\$ 11	\$ 13	\$ 180	\$ -	\$ 180
SC 6 Residential TOU	\$ 70	\$ 121	\$ 106	\$ 15	\$ 55	\$ 3	\$ 58
SC 8 Street Lighting	\$ 158	\$ 40	\$ 18	\$ 22	\$ 136	\$ -	\$ 136
SC 9 Traffic Signals	\$ 7	\$ 6	\$ 2	\$ 4	\$ 3	\$ -	\$ 3
SC 13 Substation	\$ 302	\$ 244	\$ 37	\$ 207	\$ 95	\$ 195	\$ 290
SC 13 Transmission	\$ 803	\$ 1,311	\$ 201	\$ 1,110	\$ (307)	\$ 1,049	\$ 742

Central Hudson Gas & Electric Corporation  
Case Nos. 08-E-0887 & 08-G-0888  
Response to Staff Information Request No. 510

From: Puran  
Requested of: Electric Forecasting Panel  
Date of Request: 9/30/2008

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

510) For each service classification, please provide for the rate-year (twelve months ending June 30, 2010):

- a) The number of customers forecasted to be under dual billing

**Response:** The Company did not prepare a forecast of the number of customers taking service under dual billing for the twelve months ending June 30, 2010.

- b) The MWh forecasted to be billed under dual billing, that is, the MWh that will not be subject to the MFC Administration Charge

**Response:** The Company did not explicitly forecast the MWh to be billed under dual billing for the rate year. However, the Company made certain assumptions regarding retail access sales penetration in the rate year for use in the development of the MFC Administration Charge revenue included in the base revenue forecast as provided on Exhibit\_\_(EFP-2), Schedule F Sheet 2 of 3. These assumptions are as follows:

	MFC-1 (SC 1 & 6)	MFC-2 (SC 2)	MFC-3 (SC 3 & 13)	MFC-4 (SC 5, 8 & 9)
% Retail Access MWh Dual Billed	1.8%	93%	100%	0%

Date of Response: 10/7/2008  
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. 511

From: Puran  
Requested of: Electric Forecasting Panel  
Date of Request: 9/30/2008

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

511) For each service classification, please provide for the rate-year (twelve months ending June 30, 2010):

- a) The number of customers forecasted to purchase their commodity supply from an ESCO

**Response:** The Company did not prepare a forecast of the number of customers purchasing their commodity supply from an ESCO for the twelve months ending June 30, 2010.

- b) The MWh forecasted to be purchased by customers served by an ESCO, that is, the MWh that will not be subject to the MFC Supply Charge

**Response:** The Company did not explicitly forecast the MWh to be purchased by customers served by an ESCO for the rate year. However, the Company made certain assumptions regarding retail access sales penetration in the rate year for use in the development of the MFC Supply Charge revenue included in the base revenue forecast as provided on Exhibit\_\_(EFP-2), Schedule F Sheet 2 of 3. These assumptions are as follows:

	MFC-1 (SC 1 & 6)	MFC-2 (SC 2)	MFC-3 (SC 3 & 13)	MFC-4 (SC 5, 8 & 9)
% MWh Retail Access	3%	20%	80%	0%

Date of Response: 10/7/2008  
Response by: Electric Forecasting Panel (Bunt and Powers)

## Central Hudson Gas & Electric Corporation

### Summary of Proposed Monthly Electric Delivery Rates (Excludes S.C. Nos. 5, 8 & 9)

		<u>Current Rates</u>	<u>Company Proposed Rates</u>	<u>Staff Proposed Rates</u>
S.C. No. 1	Customer Charge	\$ 16.00	\$ 25.00	\$ 18.00
S.C. No. 2 - Non-Demand	Customer Charge	\$ 20.00	\$ 30.00	\$ 25.00
S.C. No. 2 - Secondary	Customer Charge	\$ 30.00	\$ 50.00	\$ 35.00
S.C. No. 2 - Primary	Customer Charge	\$ 110.00	\$ 160.00	\$ 130.00
S.C. No. 3	Customer Charge	\$ 400.00	\$ 620.00	\$ 520.00
S.C. No. 6	Customer Charge	\$ 19.00	\$ 30.00	\$ 22.00
S.C. No. 13 - Substation	Customer Charge	\$ 500.00	\$ 800.00	\$ 720.00
S.C. No. 13 - Transmission	Customer Charge	\$ 500.00	\$ 800.00	\$ 720.00

**Central Hudson Gas & Electric Corporation**

**Staff's Sales Adjustment by Revenue Account Group**

	<b>Company</b>	<b>Staff</b>	<b>Difference</b>
	<b><u>MWh</u></b>	<b><u>MWh</u></b>	<b><u>MWh</u></b>
<b>Residential Heat</b>	<b>334,130</b>	<b>338,413</b>	<b>4,283</b>
<b>Residential Non-Heat</b>	<b>1,780,530</b>	<b>1,767,495</b>	<b>-13,035</b>
<b>Commercial Demand</b>	<b>1,427,310</b>	<b>1,455,861</b>	<b>28,551</b>
<b>Commercial Non-Demand</b>	<b>179,230</b>	<b>181,634</b>	<b>2,404</b>
<b>OPA Demand</b>	<b>395,600</b>	<b>387,078</b>	<b>-8,522</b>
<b>OPA Non-Demand</b>	<b>15,710</b>	<b>16,124</b>	<b>414</b>
<b>Small Industrial Demand</b>	<b>242,100</b>	<b>237,970</b>	<b>-4,130</b>
<b>Small Industrial Non-Demand</b>	<b>5,060</b>	<b>4,820</b>	<b>-240</b>
<b>Total</b>	<b>4,379,670</b>	<b>4,389,394</b>	<b>9,724</b>

**Central Hudson Gas & Electric Corporation**  
**Summary of Price-Out of Staff's Sales Adjustment**

	<b>Staff Sales Adjustment (MWh)</b>	<b>Base Rev Change</b>	<b>Revenue Tax</b>	<b>Total</b>
<b>Service Classification No. 1</b>				
Heating	4,316	\$184,565	\$4,252	\$188,818
Nonheating	-12,699	(\$542,992)	(\$12,511)	(\$555,503)
<b>Service Classification No. 2</b>				
Nondemand	2,208	\$41,560	\$105	\$41,665
Primary	-389	(\$805)	(\$2)	(\$808)
Secondary	16,802	\$84,515	\$214	\$84,728
<b>Service Classification No. 3</b>				
Primary	-514	(\$108)	(\$0)	(\$108)
Total	9,725	(\$233,266)	(\$7,941)	(\$241,207)

Central Hudson Gas & Electric Corporation  
Case Nos. 08-E-0887 & 08-G-0888  
Response to Staff Information Request No. 557

From: Puran  
Requested of: Electric Forecasting Panel  
Date of Request: 10/2/2008

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

557) Please refer to spreadsheet PSC IR 31.xls, provided by the company in response to staff's Information Request DPS-31.

The total output for the 36 months ending March 2008 is: 17,559,035 MWh

The total sales for the 36 months ending March 2008 is: 16,831,982 MWh

Hence the loss MWh is: 727,053 MWh

Therefore, the loss MWh as a fraction of output is:  
 $727,053/17,559,035 = 0.04141$

Hence the grossed up loss factor (factor of adjustment) is:  
 $1/(1-0.04141) = 1.043$

This means that  $16,831,982 * 1.043 = \sim 17,559,035$  MWh, which is the output amount that the Company has to purchase to sell 16,831,982 MWh.

The company calculates the factor of adjustment to be 1.045, which means to sell 16,831,982 MWh the company claims that it needs to purchase  $16,831,982 * 1.045 = 17,589,421$  MWh, which is greater than the 17,559,035 MWh output amount.

Please explain why the Company thinks the factor of adjustment should be 1.045 instead of the 1.043 Staff calculated above.

**Response:** The loss factor for the 36 months ended March 2008 should be 4.141%, with a concomitant factor of adjustment of 1.043, rather than a factor of adjustment of 1.045 based on a loss factor of 4.319% as originally submitted in the Company's filing.

Date of Response: 10/15/2008  
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. 582

From: Twergo  
Requested of: Electric Forecasting Panel  
Date of Request: 10/10/2008

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

582) In response to IR DPS 151 the Company provided the amount of accrued PPA benefits for SC13 Substation and SC13 Transmission customers.

- a) For each customer listed in response to IR DPS 151a & 151b, please provide the approximate month and year that the customer was most recently issued a delivery bill above \$0.00.

**Response:** The response provided below is based on a review of readily available billing records (24 months). Please note that the SC 13 – Substation and Transmission customers identified as A – E and A – F, respectively, in this response correspond to the customers identified in response to Staff IR 151a & 151b.

<b>SC 13 Substation</b>	
Customer	Date of Last Delivery Bill Greater than \$0.00
A	September 2008
B	September 2008
C	September 2008
D	May 2008
E	May 2008

<b>SC 13 Transmission</b>	
Customer	Date of Last Delivery Bill Greater than \$0.00
A	May 2008
B	Prior to October 2006
C	Prior to October 2006
D	September 2008
E	Prior to October 2006
F	December 2007

- b) For each customer listed in response to IR DPS 151a & 151b, please estimate the month and year that the accrued PPA benefit would be exhausted assuming continued receipt of PPA benefits throughout the term of NMP2 contract but without additional PPA accruals.

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Response to Staff Information Request No. 582

**Response:** Assuming consumption volumes, rates and supplier choices remain the same as those billed for the month of September 2008, the estimated month and year that the accrued PPA benefit would be exhausted assuming continued receipt of PPA benefits throughout the term of NMP2 contract but without additional PPA accruals would be as follows:

<b>SC 13 Substation</b>	
Customer	Accrued PPA Exhausted
A	September 2008
B	September 2008
C	September 2008
D	October 2008
E	October 2008

<b>SC 13 Transmission</b>	
Customer	Accrued PPA Exhausted
A	October 2008
B	June 2011
C	**
D	September 2008
E	**
F	December 2007

\*\* Beyond 2011 expiration of NMP2 contract.

Date of Response: 10/16/2008

Response by: Electric Forecasting Panel (Bunt and Powers)