

REBUTTAL TESTIMONY
OF
DONALD L. DUBOIS, JR.

CASES 08-E-0887 & 08-G-0888

1 Q. Are you the same Donald L. DuBois, Jr. who submitted prefiled direct
2 testimony in this proceeding?

3

4 A. Yes, I am.

5

6 Q. What is the purpose of your rebuttal testimony in this proceeding?

7 A. The purpose of my rebuttal testimony is to respond to certain portions of the

8 prepared testimony of Accounting Panel, regarding Central Hudson's

9 forecasted stray voltage expenditures and the anticipated impacts associated

10 with the indicated changes to the Commission Order regarding Electric

11 Safety Standards.

12

13 Q. What methodology did the Accounting Panel utilize to calculate rate year
14 expenditures for stray voltage testing?

15 A. Central Hudson provided the actual expenditures for calendar years 2005,
16 2006, and 2007 for stray voltage testing in response to DPS-314. The

17 Accounting Panel utilized these actual costs that represented two full testing
18 cycles for distribution poles, underground facilities, and transmission facilities

19 to calculate the average cost. For street lighting and traffic signals, the

20 Accounting Panel utilized the actual costs for three full testing cycles to

21 calculate the average cost. These average costs were then adjusted for

22 inflation from 2007 to the end of the rate year to forecast rate year

1 expenditures related to stray voltage.

2

3 Q. Does this method accurately forecast the expenditures associated with stray
4 voltage testing?

5 A. No, the methodology utilized by the Accounting Panel does not take into
6 consideration the bid pricing associated with the contracts already in place
7 for the July 1, 2009 through June 30, 2010 period nor does it consider the
8 basis for the escalation factors utilized in developing the forecast as provided
9 in response to DPS-318. In light of the information provided in response to
10 DPS-314, DPS-315, DPS-317, and DPS-318, the 6% reduction in O & M
11 expenses associated with stray voltage testing proposed by the Accounting
12 Panel is not substantiated and will not provide sufficient expenditures to
13 complete the required stray voltage testing program.

14

15 Q. Are there changes to the requirements associated with stray voltage testing
16 in the Order Adopting Changes to Electric Safety Standards in Case 04-M-
17 0159 and Case 06-M-1467 (issued and effective December 15, 2008) that
18 will impact the forecasted expenditures related to stray voltage as well as
19 other O & M expenses?

20 A. Yes, the Staff Proposal to change the definition of "finding" and "mitigation"
21 requirements as well as the additional testing to determine the extent of stray
22 voltage was accepted by the Commission and these changes in scope will all

1 increase the costs of the stray voltage testing program.

2

3 During 2005, 2006, 2007, and 2008, Central Hudson has mitigated any stray

4 voltage finding of 4.5 volts or greater. The stray voltage testing contractor

5 has been required to standby or guard any finding of 4.5 volts or greater until

6 a crew arrives to eliminate the stray voltage or make the area safe. It is not

7 uncommon to have the testing contractor on standby for a period of two

8 hours. The cases that have required mitigation on average have taken

9 approximately four hours to remedy. The changes to the definition of

10 "finding" to be any confirmed voltage reading on an electric facility greater

11 than or equal to 1 volt measured using a volt meter and a 500 ohm shunt

12 resistor rather than greater than or equal to 8 volts will increase the

13 contractor standby costs. The changes to the definition of "mitigation" now

14 require necessary actions performed by the utility to effectively eliminate the

15 stray voltage findings. Combined with the requirement that mitigation shall

16 be completed on any voltage findings, the change to now require the

17 elimination of any "finding" (i.e., continue to make safe, repair and test until

18 less than 1 volt is observed), will significantly increase the number of

19 locations that require mitigation as well as the extent of the mitigation.

20 Although the prior order only required mitigating stray voltage findings equal

21 to or greater than 8 volts, Central Hudson has been mitigating any finding of

22 4.5 volts or greater. On average it has taken crews about four hours to

1 mitigate a stray voltage finding. The additional testing to determine the
2 extent of stray voltage has been expanded to require that “In the event of a
3 finding on an electric facility during stray voltage testing, the utility shall test
4 for stray voltage on all metallic structures that are capable of conducting
5 electricity within a minimum 30 foot radius of the electric facility”. Previously
6 there was no requirement to perform additional testing.

7

8 Q. Can you quantify the incremental costs associated with the Order Adopting
9 Changes to Electric Safety Standards?

10 A. Yes, the contractor standby costs are anticipated to increase from \$1,077.30
11 in 2008 to \$56,427.84 during the rate period. This increase is based on the
12 average number of findings per year contained in Central Hudson’s stray
13 voltage records above 1 volt, multiplied by the quoted hourly contractor rate
14 for two hours per finding. The line crew contractor mitigation costs are
15 projected to increase from \$11,200 to \$604,800 during the rate period. This
16 increase was calculated utilizing the average number of findings per year
17 above 1 volt multiplied by the average hourly line contractor crew rate for four
18 hours per finding. Central Hudson believes that the contractor performing
19 the stray voltage testing can complete the additional testing to determine the
20 extent of stray voltage while on standby at the location of the finding. If Staff
21 concurs with this concept, then there will be no incremental costs other than
22 the standby costs outlined above to complete the required additional testing

1 within a 30 foot radius of a "finding".

2

3 Q. Do these Commission-imposed increases in costs reduce the need for
4 deferral accounting?

5 A. No, they increase the need for deferral accounting. By redefining the scope
6 of activities in very significant ways, the Commission has placed the utilities
7 into a position similar to that when the Commission first required stray
8 voltage testing. Although we have more experience now with stray voltage in
9 general than we did at that time, we do not have specific experience with the
10 scope of activities now required to formulate precise estimates. Therefore
11 deferral accounting is appropriate.

12

13 Q. Does this conclude your rebuttal testimony?

14 A. Yes, it does.