

DIRECT TESTIMONY
OF
JOHN P. GLUSKO

1 Q. Please state your name and business address.

2 A. My name is John P. Glusko and my business address is 284 South
3 Avenue, Poughkeepsie, NY 12601.

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5 Q. Please summarize your education and work experience.

6 A. I hold a B.A. degree in Economics from Marist College (Poughkeepsie,
7 NY).

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9 Q. What is your position with Central Hudson Gas & Electric (CHGE) and
10 your professional background?

11 A. My current position at CHGE is Director Governmental Affairs and
12 Economic Development. I have been employed by CHGE for 37 years. I
13 joined the Company in 1971 and held various positions in the Accounting
14 and Human Resources Divisions from 1971 thru 1982. In 1983, I was
15 promoted to Employee Benefit Administrator. In 1986 I was promoted to
16 the position of Director of Risk Management and Investor Relations. In
17 1988, I was promoted to Manager of Corporate Communications and
18 Governmental Affairs. In 1990, I was assigned the additional
19 responsibility for Marketing and Energy Efficiency Services. In 1993, I
20 was assigned the additional responsibility for Economic Development. In
21 2001, I was assigned to my current position. I am responsible for State
22 and Federal Governmental Relations and for Economic Development.

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JOHN P. GLUSKO

1 Q. What professional organizations or Board of Directors do you currently
2 serve on?

3 A. I currently serve on the Board of Directors (BOD) of the Hudson Valley
4 Economic Development Corporation (HVEDC) currently serving as
5 Corporate Secretary and also serve on the Executive Committee; I serve
6 on the Orange County Partnership BOD, the Ulster County Development
7 Corporation BOD and chair their Business Development Committee. I
8 serve on the President's Council of the New York State Business Council;
9 I serve on the BOD of the Central Hudson Federal Employee Credit
10 Union. I also serve on the BOD of the Poughkeepsie Rural Cemetery and
11 chair their Finance Committee. I am also a member of the Society of
12 Industrial and Office Realtors. I am also a Private Sector Representative
13 on the Hudson Valley Regional Council. In addition, I am a registered
14 lobbyist in New York State.

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16 Q. Have you ever testified before the New York State Public service
17 Commission?

18 A. Yes I testified in Case # 29433 in 1986.

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

21 A. My testimony will support the inclusion of \$250,000 in additional Economic
22 Development funding for continue support for the HVEDC and it's
23 Regional Marketing Effort.

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2 Q. What is the mission of the HVEDC?

3 A. The Mission of the HVEDC is to market the Hudson Valley both nationally
4 and internationally as an ideal place for technology companies to do
5 business.

6 Q. Has the HVEDC been successful in its mission of marketing the Hudson
7 Valley?

8 A. Yes they have been very successful in promoting the Hudson Valley
9 Region, assisting in creating 9,347 new jobs and filling over 6,500,000 sq.
10 ft. of commercial/industrial real estate in the past six years.

11

12 Q. Has the HVEDC recently expanded their mission to include facilitating the
13 development of new shovel ready technology parks?

14 A. Yes they have. Over the last several years HVEDC was able to attract the
15 interest of several high technology manufacturing companies in the
16 Hudson Valley. During the site selection process, the Hudson Valley sites
17 would make it all the way to the short list but ultimately were not selected.

18

19 Q. Has the HVEDC determined a reason why none of the attraction projects
20 selected sites in the Hudson Valley?

21 A. Yes, one of the biggest reasons was the lack of approved shovel ready
22 sites which could facilitate construction of high technology facilities in a
23 timely manor.

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2 Q. How will HVEDC facilitate the development of shovel ready technology
3 parks?

4 A. They will work with each Economic Development organization in each
5 county to select their best potential shovel ready sites. Once all sites have
6 been selected and analyzed, HVEDC will rank each site based on several
7 factors including cost, infrastructure, ownership issues, zoning, and many
8 other factors and select the best site for shovel ready development.

9 HVEDC will then work with the owner and other partners to facilitate the
10 development of that site to a shovel ready state. As soon as the first site
11 is certified to be shovel ready, HVEDC will select a second best site and
12 repeat the same process.

13

14 Q. How is the HVEDC currently funded?

15 A. The HVEDC is currently funded through dues from its members, a New
16 York State budget allotment and a matching funds contribution from
17 Central Hudson's Customer Benefit Fund.

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19 Q. When will the Customer Benefit Fund commitment to support HVEDC run
20 out?

21 A. It is currently estimated that those funds will run out in June 2011.

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JOHN P. GLUSKO

1 Q. What is the reason for the \$250,000 of economic development funding for
2 HVEDC since funds will not run out until June 2011?

3 A. First, the New York State budget allotment to fund HVEDC for budget year
4 2008/2009 could be reduced or eliminated. In addition, future budget
5 allocations may not be available. The second reason is the enhancement
6 of the HVEDC mission to include the facilitations of shovel ready site
7 development. This mission will take several years to complete. With out
8 the additional \$250,000 of funding for HVEDC, it would be out of funding
9 support exactly when the new shovel ready sites will be available for
10 development. Third, the marketing of over 2,000,000 sq. ft. of formally
11 owned IBM industrial space has been difficult. Additional time will be
12 needed to successfully complete this task.

13

14 Q. Will HVEDC continue to help market the over 2,000,000 sq. ft. of vacant
15 space previously owned by IBM in the Hudson Valley?

16 A. HVEDC has consistently marketed the 2,000,000 plus sq. ft. of previously
17 owned IBM space and will continue to do so. The development of new
18 shovel ready sites may actually make existing older space more
19 marketable. Companies that supply support services to high technology
20 companies who will be building facilities in the new shovel ready parks,
21 will need space in the Hudson Valley. These support companies can
22 utilize existing building and facilities since their real estate requirement are
23 not as restrictive.

JOHN P. GLUSKO

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2 Q. How would you propose to deal with the uncertainty of the New York State
3 budget process?

4 A. I would propose that we include \$250,000 of funding in our current rate
5 filing to support HVEDC. If the New York State funding allocations for
6 HVEDC is maintained annually, I would propose that we defer the
7 \$250,000 for future support of HVEDC.

8

9 Q. What would happen if this funding request wasn't approved and the New
10 York State budget allocations were not continued?

11 A. As I have indicated, committed funding from Central Hudson for HVEDC
12 will run out in June 2011. HVEDC would have to significantly reduce its
13 current level of national and international marketing. This reduction would
14 take place at a point in time when the need to attract and compete for high
15 caliber technology projects could be most successful due to the
16 development of shovel ready technology sites during the prior 3 years.

17

18 Q. Does this conclude your pre-filed testimony?

19 A. Yes, it does.