

DIRECT TESTIMONY
OF
JAMES R. VAN TASSELL

1 Q. Please state your name and business address.

2 A. My name is James R. Van Tassell and my business address is 284 South
3 Avenue, Poughkeepsie, NY 12601.

4
5 Q. Please summarize your education and work experience.

6 A. In 1982 I received a Bachelor of Science Degree in Accounting from the
7 State University College at New Paltz, New York. I joined Central Hudson
8 Gas & Electric Corporation in June 1982 and since then have done
9 graduate study in Information Systems at Marist College and completed
10 numerous industry training programs. I have held various positions at
11 Central Hudson in Accounting, Customer Services and Regulatory Affairs.
12 Currently I am the Director of Customer Choice.

13

14 Q. What are your responsibilities as Director of Customer Choice?

15 A. My duties include overall responsibility for the functioning of the
16 Company's retail access programs, including marketer relationships,
17 regulatory compliance, program design and development, and outreach
18 and education.

19

20 Q. Have you previously testified before the Commission?

21 A. Yes. I have appeared as a witness with regard to various operating
22 expense items in several prior Central Hudson rate proceedings.

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

2 A. My testimony will address the following subjects: 1) the status of the
3 Company's retail access programs, and 2) a forecast of the program
4 changes and costs in the rate year, and the continuation of a rate
5 allowance for the Competition Education Campaign fund.

6

7 Q. Please describe the current status of retail access in the Central Hudson
8 territory.

9 A. Between December 2006 and June 2008, the Central Hudson territory has
10 been experiencing significant growth in the numbers of both electric and
11 gas customers migrating in the residential, commercial, and mid-sized
12 industrial customer categories.

13 Exhibit _____ (JRV-1) contains a table showing the changes in migration
14 by customer class between December 2006 and June 2008. As can be
15 seen in this table, residential electric customer migration increased by
16 231% between December 31, 2006 and June 30, 2008, while the growth
17 in commercial & industrial customers was 57% during this period.

18 Changes in the percentage of migrated large industrial customers
19 fluctuate significantly due to the relatively small number of customers in
20 these categories. In the gas department, the increase in migration has
21 also been significant, with a 57% overall rate of growth in numbers of
22 customers during the period.

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1 The portion of the total electric load served by ESCOs has increased by
2 about 10.7% between December 2006 and June 2008. In the gas
3 department, there has been a significant increase in both the numbers of
4 customers and the portion of load served by ESCOs.

5
6 At the start of 2006, there were 12 active Electric ESCOs and 10 active
7 Gas ESCOs in the territory. As of July 2008 there are 21 active Electric
8 ESCOs and 15 active Gas ESCOs.

9
10 Q. What are the programs contained in the existing Commission rate plan?

11 A. In the existing rate plan, the Company was directed to continue several
12 existing programs (among these were Market Match, Market Expo, Energy
13 Fairs, ESCO Satisfaction survey, ESCO ombudsman and the Competition
14 Awareness and Understanding Survey). In addition, as also required by
15 the current rate plan, the Company has been conducting a Competition
16 Education campaign.

17
18 Q. Does Central Hudson believe that it should participate in providing
19 information to customers to facilitate retail access development?

20 A. Yes. Central Hudson believes that it is important for the local utility to
21 have an obvious presence, and to participate in the promotion of retail
22 access.

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1 Q. Does Central Hudson believe that the programs contained in the existing
2 rate plan should continue to be funded by the Commission?

3 A. Generally yes, but with some qualifications. Our experience with the
4 Market Expo, Energy Fairs and the Competition Awareness and
5 Understanding Survey is that these programs are relatively low cost, but
6 also relatively low in participation. It is not clear whether they should
7 continue to be conducted in the absence of higher levels of participation.
8 Therefore, we propose to fund them at the current level and permit the
9 Company to determine the level of interest or participation before actually
10 conducting each of them.

11 Central Hudson believes that the ESCO Satisfaction survey and ESCO
12 ombudsman do not provide material value and could be discontinued.
13 ESCOs have matured to the point where these programs are not
14 necessary.

15 Central Hudson believes that ongoing informational retail access
16 awareness advertising and enhancement of services, funded by the
17 Competition Education Campaign continues to be appropriate. On
18 January 16, 2008 Central Hudson advised the Secretary of the
19 Commission of our intention to convene a collaborative of interested
20 parties to discuss future uses of the Competition Education Campaign
21 funds. The initial meeting was held on March 11, 2008 and there have
22 been subsequent telephone conferences. The plan being discussed by
23 the collaborative at the time of the preparation of this testimony includes

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1 several new initiatives, both one-time costs, and recurring annual
2 expenditures. The details of these expenditures, including the new items,
3 can be seen on Exhibit ____ (JRV-2).

4
5 To fund these activities, Central Hudson proposes that the current rate
6 allowance be continued, along with the provision that if expenditures are
7 below the allowance in the rate year, the difference will be deferred for the
8 same use in future rate years.

9

10 Q. Does this conclude your pre-filed direct testimony?

11 A. Yes.