Exhibit__(RRP-1R)

Central Hudson Gas & Electric
Cases 08-E-0887 & 08-G-0888
Staff 3 Year Average vs. CHGE 4 Year Average

	Staff's Projection Methodology					CHGE Projection Method						(+/-)
	Year 1	Year 2	Year 3	3-Year Average	Rate Year	Year 1	Year 2	Year 3	Year 4	4-Year Average	Rate Year	Staff RY vs CHGE RY
Electric:												
Injuries & Damages:												
Worker's Compensation Claims	245,442	265,286	237,117	249,281	261,947	420,185	247,392	267,278	238,539	293,349	308,250	(46,303)
Personal & Property Claims	353,842	286,391	142,838	261,024	274,286	616,373	353,875	286,502	142,838	349,897	367,602	(93,317)
Accident & Safety Activities Expense:												
Miscellaneous Accident Expense	63,500	40,596	37,662	47,253	49,653	34,796	63,506	40,612	37,662	44,144	46,387	
Other Safety Activities					9,175						9,175	
Sub-total					58,828						55,561	3,267
Total					595,060						731,414	(136,353)
Gas:												
Injuries & Damages:												
Worker's Compensation Claims	55,191	59,653	53,319	56,054	58,902	94,484	55,629	60,101	53,639	65,963	69,314	(10,412)
Personal & Property Claims	62,443	50,540	25,207	46,063	48,403	108,772	62,449	50,559	25,207	61,747	64,872	(16,468)
Accident & Safety Activities Expense:												
Miscellaneous Accident Expense	30,362	44,431	16,306	30,366	31,909	71,038	30,365	44,448	16,306	40,539	42,599	
Other Safety Activities					3,941						3,941	
Sub-total					35,850						46,539	(10,690)
Total					143,155						180,725	(37,570)

Notes:
Staff Method based on Twelve Months Ended March 31, 2005, March 31, 2006 & March 31, 2007.
Company Method based on Twelve Months Ended March 31, 2004, March 31, 2005, March 31, 2006 & March 31, 2007.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CASES 08-E-0877 & 08-G-0888
STORM RESTORATION EXPENSE
DEVELOPMENT OF PROJECTION BASED ON STAFF'S 3-YEAR AVERAGE METHOD
VERSUS COMPANY'S 4-YEAR AVERAGE METHOD

		3-Year Average Staff Method	4-Year Average Company Method	Staff (+/-) Company
12 Months Ended March 31, 2008		3,653,828	3,653,828	
Normalization Adjustment		1,049,791	727,029	
Three Year/ Four Year Average		4,703,619	4,380,857	
2008 Projected	1.017	4,783,581	4,455,332	
2009 Projected	1.022	4,888,820	4,553,349	
Rate Year Ending 06/30/10	1.011	4,942,597	4,603,436	**339,161**

Exhibit__(RRP-3R)

Central Hudson Gas & Electric
Cases 08-E-0887 & 08-G-0888
Staff 3 Year Average vs. CHGE Historical Year

	Staff's Projection Methodology					CHGE Projection Method		(+ / -)
	Year 1	Year 2	Year 3	3-Year Average	Rate Year	HYE 3/31/08	Rate Year	Staff RY vs CHGE RY
Electric:								
Environmental Expense:								
Historical Base	279,556	498,211	258,764	345,510	364,859	254,039	267,249	97,610
Incremental / New Initiatives					n/a	n/a	190,238	(190,238)
Total Environmental Expense					364,859	254,039	457,487	(92,628)
Legal Services	1,974,102	2,306,442	1,724,211	2,001,585	2,140,295	2,284,653	2,401,170	(260,875)
Bill Print & Mail to Customer	483,885	509,997	542,210	512,031	540,684	541,936	601,653	(60,969)
Total					3,410,697		3,917,797	(507,101)
Gas:								
Environmental Expense:								
Historical Base	40,135	49,357	41,690	43,727	46,176	38,465	40,465	5,711
Incremental / New Initiatives					n/a	n/a	39,861	(39,861)
Total Environmental Expense					46,176	38,465	80,326	(34,150)
Legal Services	621,291	553,442	527,228	567,320	606,636	942,379	990,440	(383,805)
Bill Print & Mail to Customer	85,392	89,999	95,684	90,358	95,415	95,636	106,174	(10,759)
Total					794,402		1,257,266	(462,864)

Notes:
Environmental based on fiscal years 2005, 2006 & 2007.
Legal Services based on Twelve Months Ended June 30, 2005, June 30, 2006 & June 30, 2007.
Bill Print & Mail to Cutomer based on fiscal years 2005, 2006 & 2007.

Cases 08-E-0887 & 08-G-0888- Central Hudson Rates

Staff Response to Interrogatory/Document Request

Request No.:	CH-140
Date of Request:	December 5, 2008
Reply Date:	December 10, 2008
Responding Witness:	Accounting Panel
Subject:	Property Taxes

Question) In developing its position concerning the elimination of the current deferral for property taxes (page 93-94), did the Accounting Panel consider the extent to which the NY State budgets adopted for the time periods covering the rate year in these cases may contain less funding for schools than currently? If so, please describe in detail and provide all related workpapers.

Answer) It is uncertain as to whether or not the NY State budgets for the time periods covering the rate year in these cases will contain a lower level of funding for schools and what the impact would be on property taxes. If property taxes were to be affected by the NYS State budget due to the level of funding provided to schools, the Company reserves the right to petition the Commission for deferred accounting treatment. In addition, it should be noted that the Accounting Panel did not oppose the Company's request to update property taxes for the latest known property tax assessment available at the time of brief on exceptions.

Cases 08-E-0887 & 08-G-0888- Central Hudson Rates

Staff Response to Interrogatory/Document Request

Request No.:	CH-222
Date of Request:	December 12, 2008
Reply Date:	December 22, 2008
Responding Witness:	Accounting Panel
Subject:	Property Taxes

Question) In light of the response to Central Hudson IR 140, does Staff agree that:

a) Central Hudson will not receive the school district levies until August or later 2009 for the 2009-2010 school year;
b) Central Hudson would therefore not be able to provide an update that addresses the rate year as of the briefs on exceptions in these cases; and
c) Central Hudson has a limited ability to influence the local school district levies?

Answer)

a) The Accounting Panel acknowledges that Central Hudson will not have the school district levies related to the 2009-2010 school year upon brief on exception; however, the Company will have the opportunity to update school district tax levies for period 2008-2009 school year and Village Tax for 2008-2009 period, as well as, for the latest GDP inflation factors.

b) Please see the Accounting Panel's response to part a.

c) The Accounting Panel acknowledges the Company's limited ability to control property tax assessments, and therefore, as previously stated in Staff's response to Central Hudson's Interrogatory CH-140, the Company can reserve the right to petition the Commission for deferred accounting treatment.

Cases 08-E-0887 & 08-G-0888- Central Hudson Rates

Staff Response to Interrogatory/Document Request

Request No.:	CH-35
Date of Request:	November 26, 2008
Reply Date:	December 5, 2008
Responding Witness:	Accounting Panel
Subject:	Regulatory Commission Expense

Q. 35) With respect to Regulatory Commission Expense, state what ability Central Hudson has to control the level of assessment levied upon the Company by the Public Service Commission.

Answer) The Accounting Panel acknowledges that the level of Regulatory Commission Expense is determined by the Commission, and therefore, per our testimony at page 98, line 2, the Panel has agreed to reflect the latest known PSC assessment at time of update.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CASES 08-E-0887 AND 08-G-0888
REGULATORY COMMISSION ASSESSMENT
BASED ON GOVERNOR PATERSON'S EXECUTIVE BUDGET

	(1) 2007 Assessable Intrastate Revenues	(1) 2008-2009 Assessment @ Current Rate	(2) Proposed Increase in Assessment	Percentage Increase
Electric Expense:				
Assessable Intrastate Revenues	598,875,296			
Proposed General Assessment Rate	2.00%			
Proposed Regulatory Assessment	11,977,506	1,915,301	10,062,205	525.36%
Gas Expense:				
Assessable Intrastate Revenues	136,859,597			
Proposed General Assessment Rate	2.00%			
Proposed Regulatory Assessment	2,737,192	437,699	2,299,493	525.36%
Total Electric & Gas Expense:				
Assessable Intrastate Revenues	735,734,893			
Proposed General Assessment Rate	2.00%			
Proposed Regulatory Assessment	14,714,698	2,353,000	12,361,698	525.36%

Notes:
(1) Source for 2007 Assessable Intrastate Revenues and 2008-2009 Assessment at current rate is August 8, 2008 letter from the State of New York Department of Public Service.
(2) Source for proposed General Assessment Rate is Governor Paterson's Executive Budget issued December 16, 2008, which is available on the New York State Commission's website.

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

Internet Address: http://www.dps.state.ny.us

August 8, 2008

Central Hudson Gas & Electric Corp.
Att: Joseph A. Croshier
284 South Avenue
Poughkeepsie, NY 12601-4879

STATEMENT OF REVISED ASSESSMENT

This is to provide your revised 2008-09 fiscal year assessment consistent with Section 18-a of the Public Service Law. It is calculated using your company's adjusted 2007 intrastate revenues of $735,734,893 as contained in your annual report or statement of gross intrastate operating revenue form for calendar year 2007 and the State's estimated 2008 - 2009 expenses for the Public Service Department. **The amount shown below for the remaining owed assessment is due September 10, 2008.**

Checks should be made payable to the Department of Public Service and mailed to:

NYS DEPT. OF PUBLIC SERVICE
UTILITY ACCOUNT
BOX 646
ALBANY, NY 12201

Please refer to your company code A-1001-1 on your check.

Revised Assessment	$2,904,972.04
Assessment Paid	$1,280,479.99
Revised Assessment Unpaid	$1,624,492.05
Remaining Owed Assessment	$1,624,492.05

Sorelle Leslie Brauth
Director of Finance & Budget
(518)474-2516

NEW YORK STATE DEPARTMENT OF PUBLICE SERVICE
DETAIL OF ASSESSMENT

Central Hudson Gas & Electric Corp.

Assessment Type / Operation	2007 Assessable Intrastate Revenue	Total 2008-2009 Revised Assessment	Assessment Paid	Assessment Unpaid	Remaining Owed Assessment
GENERAL					
Electric	$598,875,296	$1,915,301.04	$795,249.46	$1,120,051.58	$1,120,051.58
Gas	$136,859,597	$437,699.35	$209,244.70	$228,454.65	$228,454.65
ERDA					
Electric		$403,656.90	$201,828.45	$201,828.45	$201,828.45
Gas		$148,314.75	$74,157.38	$74,157.37	$74,157.37
	Totals	$2,904,972.04	$1,280,479.99	$1,624,492.05	$1,624,492.05

Billing Rate Calculation - General Assessment

The General assessment rate is calculated by dividing the total revised 2008-09 New York State utility regulatory costs defined by Section 18-a of the Public Service Law by total intrasate utilit revenues from the 2007 calendar year. For this revised assessment billing, utility regulatory costs of $90,114,000 divided by the total reported intrastate revenues of $28,176,796,904, yielded General Assessment rate of 0.003198163379146. Intrastate revenues for each utility are multiplied by this rate to calculate the corresponding individual assessments.

Billing Rate Calculation - Energy Research and Development Authority (ERDA) Assessment

The ERDA assessment rate is calculated by dividing the revised 2008-09 ERDA research costs by total intrastate gas and electric utility revenues consistent with Section 18-a of the Public Servi Law. Each utility's intrastate revenues are multiplied by this rate to arive at an initial assessment amount. For this revised assessment billing, ERDA costs of $18,456,000, divided by total applic intrastate revenues of $19,734,469,491, yields a maximum assessment rate of .0013521010461.

GOVERNOR PATERSON'S EXECUTIVE BUDGET ELIMINATES LARGEST DEFICIT IN STATE HISTORY, REINS IN SPENDING

Proposal Includes Reductions across Every Area of State Spending, Targeted Increases in Revenue; Represents a Balanced Plan for a Balanced Budget

Governor Paterson today delivered a balanced Executive Budget, more than one month prior to the State constitutional deadline, which would eliminate the largest budget deficit in State history – a $1.7 billion current-year shortfall and a $13.7 billion 2009-10 deficit. This proposal includes a series of difficult decisions across every area of State spending, as well as targeted increases in revenue, to address an unprecedented fiscal and economic crisis. The Budget also includes several reforms that will increase government efficiency and lower taxpayer costs in the future.

"For years, record revenues from Wall Street allowed State spending to increase at an unsustainable rate," said Governor Paterson. "With the financial services industry in the midst of an unprecedented crisis, we must fundamentally reevaluate what our State can afford to spend. Change is unavoidable, and the proposals I have put forward today begin the difficult process of adapting to a new fiscal reality. Just like thousands of families across New York, our State government needs to tighten its belt and limit spending to what we can afford."

Governor Paterson's Executive Budget is structured in a unique manner in order to address the challenge of closing a mid-year shortfall. It contains two main components, both of which were delivered to the Legislature today. The first component is a 2008-09 Deficit Reduction Plan. This stand-alone legislation includes a series of actions that are necessary to close the State's current-year $1.7 billion shortfall. The State financial plan assumes enactment of these actions by February 1.

The second component is Governor Paterson's complete 2009-10 Executive Budget proposal, which will close the 2009-10 fiscal year $13.7 billion deficit. Consistent with Governor Paterson's goal to start reducing State spending as soon as possible, the savings actions included in that proposal assumes the budget will be enacted by March 1, 2009, one month prior to the April 1 start of the fiscal year.

Spending Growth

Under Governor Paterson's Executive Budget proposal, 2009-10 General Fund spending would remain flat compared to 2008-09 levels at $55.4 billion. State Operating Funds spending would total $79.8 billion, an increase of $400 million or 0.5 percent.

All Funds spending would total $121.1 billion, an increase of $1.3 billion or 1.1 percent – which would represent the lowest level of growth since 1996-97 when the All Funds budget declined by 0.4 percent. Unlike in 1996-97, however, Governor Paterson and the Legislature, have worked throughout the fiscal year to reduce the size of the 2008-09 budget to address plummeting revenues. If these reductions had not occurred, 2009-10 All Funds spending would have declined compared to 2008-09 by $548 million or 0.5 percent.

2008-09 Deficit Reduction Plan

Governor Paterson's 2008-09 Deficit Reduction Plan includes $1.7 billion in savings initiatives that are necessary to close the state's current-year state budget shortfall. This proposal includes $1.0 billion in proposals that were originally put forward for consideration by the Legislature at a November special session as part of an overall $2.0 billion package. Major prior recommendations that will be put forward again include $500 million in health care savings; a $50 million reduction in Environmental Protection Fund (EPF) spending and a $25 million sweep of uncommitted EPF funding; an expansion of the 5-cent bottle deposit to non-carbonated beverages ($118 million in 2009-10); a $620 increase in SUNY annual undergraduate tuition from $4,350 to $4,970, which has been approved by the SUNY Board of Trustees ($62 million); a 10 percent reduction in Community College Base Aid ($15 million); and others.

Of the original $2.0 billion in savings proposed in November, over $1.0 billion are no longer possible to achieve before the end of the fiscal year. They have been replaced by $771 million in new savings put forward today.

These $771 million in new savings initiatives include the elimination of a planned transfer to the Community Projects Fund for member items ($45 million); the implementation of strict state agency spending controls to eliminate non-essential spending ($100 million); the transfer of uncommitted funds from the Department of Law's special revenue account ($91 million); the transfer of New York Power Authority assets and excess operating funds to the General Fund ($306 million); the use of $100 million from various other fund balances; and other actions. A complete listing of each proposal included in the 2008-09 Deficit Reduction plan is available at www.budget.state.ny.us.

2009-10 Executive Budget

Governor Paterson's $13.7 billion Executive Budget General Fund savings proposal includes $9.5 billion in recurring spending reductions, which represent 70 percent of total actions. It also contains $3.1 billion in recurring revenue actions, and limits non-recurring actions to eight percent of the overall plan or $1.1 billion.

Governor Paterson said: "The Executive Budget proposal I have put forward today represents a balanced plan for a balanced budget. The vast majority of my plan focuses on recurring reductions across every area of state spending. In order to protect core services, however, it also contains targeted increases in revenue. Given the magnitude of our current crisis, the only way we are going to overcome our budget problems is by acting comprehensively through shared sacrifice."

Major actions include:

Education: The Executive Budget reduces School Aid in 2009-10 by $698 million or 3.3 percent from 2008-09 while maintaining a commitment to both long-term increases in education investments and the formulas created to equitably allocate these funds. Even after reductions, funding for School Aid would still total $20.7 billion in 2009-10, a 42 percent or $6.2 billion increase compared to 2003-04. Proposed reductions are structured progressively based on district fiscal resources and student need. Savings are also achieved through reductions or eliminations in categorical programs to prevent further reductions in direct aid to schools. Governor Paterson remains committed to the education investment plan advanced in 2007-08 to increase School Aid by $7.0 billion over a multi-year period. But significant funding increases in Foundation Aid and Universal Prekindergarten that were scheduled to be phased-in over a four-year period will now be phased-in over an eight year period to reflect the need to adapt to the difficult fiscal environment. The Executive Budget also proposes mandate relief measures to help school districts control costs.

Medicaid/Health Care: If no actions were taken to control costs, State Funds Medicaid spending would grow 12 percent to $17.3 billion. The Executive Budget proposes taking actions to limit State Funds Medicaid spending to $16.0 billion, an increase of 3.8 percent from 2008-09. The recommendation focus on reforming ineffective hospital, nursing home and home care reimbursement systems to direct spending to more appropriate primary and community based settings. Even after these actions, total federal, state and local Medicaid spending would still increase by $432 million or 1.0 percent compared to 2008-09 to a total of $45.4 billion, and New York's program would still be the most expensive in the nation.

STAR: The Executive Budget eliminates the STAR rebate program ($1.4 billion). The rebate is a check issued to homeowners and has no relation to an individual's property tax bill. A corresponding enhanced New York City personal income tax credit ($364 million) added in conjunction with the rebate will also be eliminated. The value of the credit will return to pre-rebate levels, declining from $290 to $125 for married couples and $145 to $62.50 for individuals. Funding for the STAR exemption program, which directly shields a portion of an individual's assessed home value from local property taxation, as well as the standard New York City rebate will still total $3.3 billion – approximately equivalent to spending on the program prior to the creation of the rebate.

Higher Education: Based on the recommendations of the New York State Commission on Higher Education, the Executive Budget would establish the New York Higher Education Loan Program (NYHELPs) which will provide a minimum of $350 million in loans to approximately 45,000 New York State residents attending New York higher education institutions. The loans will be offered at rates well below those currently available in the private loan market. Additionally, a SUNY ($620, 14 percent) and CUNY (up to $600, 14 percent) tuition increase tied to an investment plan is also recommended, which will provide a year-to-year increase in core instructional budget resources for those universities.

Human Services: For the first time in 18 years, the Executive Budget would increase the basic welfare grant. The grant would increase by 10 percent, from $291 to $320 in January 2010; by another 10 percent to $352 in January 2011; and by a final 10 percent to $387 in January 2012. The budget also preserves funding for core programs such as foster care, adoption, child and adult protective services, and domestic violence services. Savings are achieved by reducing or eliminating a number of non-mandated services, many of which have provided valuable services but are supplemental to the state's core mandated programs.

State Workforce: The state workforce is expected to total 196,292 in 2009-10, a decrease of 3,108 compared to the prior year. This would still represent, however, an increase of 8,927 compared to 2003-04. The 2009-10 decline includes an estimated 521 layoffs, which are mostly limited to the impact of agency consolidations, facility closures, or program eliminations. The

Budget also advances proposals to reduce spending for state employees in ways that will minimize further layoffs during a time of economic distress and avoid service disruptions in critically important programs. Proposals include deferring five days of salary payments until a state employee leaves service or the fiscal crisis is declared to have ended; eliminating a scheduled three percent general salary increase for 2009-10; and requiring state employees and retirees to contribute greater amounts to health care coverage. Even after these proposed actions, most public employees will have received a general salary increase of 20 percent compared to 2003-04.

Pension Reform: The Executive Budget creates a new tier of pension benefits (Tier V) for state and local employees. Many of the requirements for Tier V would simply remove pension enhancements added in recent years to Tier IV, including restoring the minimum retirement age to 62 instead of 55, requiring employees to contribute to the pension fund after their tenth year of service, restoring the minimum years of service required to draw a pension from five to ten, and others. New requirements for Tier V include excluding overtime compensation when calculating pension benefits, which will prevent "salary spiking" in an employee's final years of service. Under the state constitution, Tier V requirements can only apply to new employees. The Executive Budget also includes a proposal to implement a new tier of pension benefits for newly hired City of New York uniformed employees. This proposal is being advanced at the request of the Mayor of the City of New York and will not be acted upon without the consent of the City Council.

Aid and Incentives for Municipalities (AIM): The Executive Budget achieves savings by maintaining AIM funding at current year levels, which would eliminate a previously scheduled $61 million increase, and by eliminating New York City's AIM payment. Even after these actions, AIM Funding for municipalities outside of New York City will still have increased by $290 million or 62 percent compared to 2004-05 and total $755 million. Unlike other municipalities, which rely more heavily on the AIM program, AIM payments represent 0.5 percent of NYC's overall revenues. To help offset recommended reduction in AIM and other local government assistance, the Budget advances a range of cost-saving mandate relief initiatives and local revenue enhancements. In particular, Tier 5 pension reform, additional Wicks Law relief, and an expanded red light camera program will provide substantial fiscal benefits for New York City. Other municipalities will also benefit from revenue actions such as removal of sales tax exemptions.

Empire Zone Reform: The Executive Budget would require all of the current Empire Zone program participants to demonstrate that they are producing at least $20 in actual investments and wages for every $1 that the state invests in order to remain in the program. The reformed program will continue until its sunset date of June 30, 2011, excluding certain sectors such as utilities, retail, and real estate from future participation. These actions are expected to produce savings of $272 million in 2009-10, $292 million in 2010-11, and $310 million when fully annualized. A portion of the demonstrated savings from these reforms would be redirected to a new job creating grant program administered by ESDC and to new research and development tax credits. These initiatives will receive $100 million when fully annualized by 2011-12.

Rightsizing State Government: The 2009-10 Executive Budget lays a strong foundation for improving state operations, beginning the process of streamlining state government by eliminating duplicative services, consolidating overlapping state agencies, closing underutilized facilities, lowering the cost and size of the state workforce, and consolidating back-office operations. To achieve this goal, seven state agencies would be eliminated, merged or integrated with existing agencies. These include the New York State Foundation for Science, Technology and Innovation (NYSTAR) and Department of Economic Development, which would integrate with the Empire State Development Corporation (ESDC); the State Employment Relations Board, which would merge with the Public Employment Relations Board; The Northeastern Queens Nature and Historical Preserve Commission and the Hudson River Valley Greenway Communities Council and Conservancy would merge into the Department of State; The New York State Theatre Institute would merge with the Empire State Plaza Performing Arts Center Corporation ("The Egg") and the Office of the Welfare Inspector General would merge with the Office of the Medicaid Inspector General.

In addition, the Executive Budget would also establish a new Council on Shared State Operations to oversee the development of a "shared services" model in New York, which seeks to centralize back-office operations to both decrease costs and improve services offered. This approach has been used by the private sector for years and has been increasingly adopted in the public sector. Consolidating administrative functions shared by multiple agencies will free agencies to focus on their core missions of providing essential services to New Yorkers, rather than administrative tasks.

Facility Closures/Downsizing: Several underutilized state facilities would be eliminated or downsized. The Executive Budget recommends closing four prison camps and several annexes, three Office of Children and Family Services (OCFS) evening reporting centers and six underutilized OCFS youth facilities, as well as downsizing two OCFS youth facilities. Additionally, the Office of Mental Health would eliminate 450 beds (11 percent) from its inpatient psychiatric system, moving those patients to more appropriate settings, and the Office of Alcohol and Substance Abuse Services would close its Manhattan Addiction Treatment Center.

Revenue Actions: The Executive Budget includes a balanced package of revenue enhancements. These proposals do not include any broad-based income tax proposals, but do include $3.1 billion in recurring General Fund revenue actions. These proposals ensure that tax burdens are fairly distributed, improve consistency with other taxing jurisdictions, and close loopholes, among other objectives. The budget also includes new or increased fees or fines, most of which finance specific activities and have not been changed in several years.

Some notable revenue increases include: A new, additional 18 percent sales tax on non-diet soft drinks to combat obesity and related diseases, with revenues directed to health care; eliminating the sales tax exemption on clothing and footwear under $110, replacing it with two exemption periods during which clothing and footwear under $500 would not be subject to sales tax; imposing a sales tax on cable and satellite TV/Radio services consistent with the practice of 23 other states; conforming the state sales tax to New York City's practice of taxing personal services, such as barbering, massages, and hair salons, and credit rating services; repealing an ineffective sales tax cap on gasoline, for which there is no documented evidence provides savings that are passed on to consumers; permanently increasing the assessment on utility companies from 1/3 of one percent to one percent of gross intrastate revenues plus an additional one percent temporary surcharge on those revenues; and other actions.

Budget Deficits

In October, the Division of the Budget projected budget deficits of $1.5 billion in 2008-09, $12.5 billion in 2009-10, $15.8 billion in 2010-11, and $17.2 billion in 2011-12 – a cumulative total of $47.0 billion. Based on greater than anticipated declines in projected revenues, this budget deficit has increased to $1.7 billion in 2008-09, $13.7 billion in 2009-10, $17.1 billion in 2010-11, and $18.6 billion in 2011-12 – a total of $51.1 billion.

Governor Paterson's proposal would eliminate the 2008-09 shortfall and 2009-10 deficit, as well as make important strides toward long-term structural balance. After implementing the actions contained within the Executive Budget, which will produce $45.2 billion in savings over the next four years, the state's out-year budget deficits would total $1.8 billion in 2010-11 and $4.0 billion in 2011-12 – a cumulative total of $5.8 billion.

Reserve Levels/State Debt

The 2009-10 Executive Budget proposal maintains $1.2 billion in reserves, equal to 2.2 percent of General Fund spending. State debt is projected to grow by $2.6 billion (5.0 percent) to $54.2 billion, largely due to investments in economic development, transportation, and higher education.

Cases 08-E-0887 & 08-G-0888- Central Hudson Rates

Staff Response to Interrogatory/Document Request

Request No.:	CH-23
Date of Request:	November 26, 2008
Reply Date:	December 5, 2008
Responding Witness:	Accounting Panel
Subject:	Averages

Q. 23) Specify all cost elements which the Accounting Panel [is] aware of for which rates were set for Central Hudson at any time during the period 2000 to date on the basis of a four year average of historic costs.

Answer) The cost elements derived in Cases 00-E-1273 & 00-G-1274 and Cases 05-E-0934 & 05-G-0935 were reached as part of negotiated settlements. Therefore, the terms and provisions of the Joint Proposal should not be cited or relied upon as precedent.

Cases 08-E-0887 & 08-G-0888- Central Hudson Rates

Staff Response to Interrogatory/Document Request

Request No.:	CH-29
Date of Request:	November 26, 2008
Reply Date:	December 5, 2008
Responding Witness:	Accounting Panel
Subject:	D&O Insurance

Q. 29) Please state the Accounting Panel's understanding of the levels of D&O coverage incorporated into rates in the Company's last two rate proceedings, Cases 00-E-1273/00-G-1274 and Cases 05-E-0934/05-G-0935.

Answer) We have not reviewed the level of D&O coverage incorporated in the rates of Central Hudson's last two rate proceedings, which were both negotiated settlements. As stated in various other responses, the terms and provisions of the Joint Proposal should not be cited or relied upon as precedent.

Cases 08-E-0887 & 08-G-0888- Central Hudson Rates

Staff Response to Interrogatory/Document Request

Request No.:	CH-133
Date of Request:	December 3, 2008
Reply Date:	December 9, 2008
Responding Witness:	Accounting Panel
Subject:	Labor

Question) Referring to the Staff Accounting Panel's Labor & Productivity Workpapers, Staff removed 100% of the premium payroll rate for the Foremen employee classification.

a) Is Staff aware that Foremen receive premium pay for hours worked over a 45-hour workweek?
b) If yes, why was 100% of the forecast premium pay removed from the projection of payroll?
c) Does the Accounting panel agree that premium pay received for hours worked over a 45-hour workweek for the Foremen employee classification has been included in rate recovery in prior rate cases?

Answer)

a & b) The Accounting Panel's understanding, as evidenced by the Company's workpapers and the Direct Testimony of Company Witness Brocks at pages 5-8, is that Officers, Foremen, and Semi-Monthly employees receive a form of variable pay based on the achievement of defined goals and objectives. The premium payroll rate related to Foreman used to project the wages in the bridge period and the rate year, as provided by the Company in their labor workpapers, did not separate out and distinguish that a portion of the premium payroll rate is related to overtime not variable pay.

c) The Accounting Panel acknowledges that in the prior two rate proceedings that premium pay received for hours worked over a 45-hour workweek for the Foremen employee classification had been included in rates. However, both these proceedings resulted in negotiated settlements and none of the terms and provisions of the Joint Proposal should can be cited or relied upon as precedent.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
CASES 08-E-0887 & 08-G-0888
ADJUSTED PREMIUM PAYROLL FOR FOREMEN EMPLOYEE CLASSIFICATION
FOR HISTORIC YEAR ENDED MARCH 31, 2008

	Premium Pay for Foremen Employee Classification			
	Company Initial Filing	PSC Staff Adjustments	Add Back: Overtime	Premium % Excluding Variable Pay
12 Months Ended March 31, 2008:				
Total Earnings	3,511,386			
Base Pay	2,879,759			
Premium in Dollars	631,627			
Premium as a Percentage	21.93%			
Adjustment to Total Earnings:				
Variable Pay - Retirees	(2,626)			
Total Adjustment	(2,626)			
12 Months Ended March 31, 2008:				
Total Earnings	3,508,760			3,508,760
Base Pay	2,879,759			2,879,759
Premium in Dollars	629,001	(629,001)	536,697	536,697
Premium as a Percentage	21.84%			18.64%