

REBUTTAL EXHIBITS
OF
STACEY A. RENNER

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

1 Exhibits referenced:

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

Staff Response to Interrogatory/Document Request

Exhibit __ (SAR-1R)
Page 1 of 2

Request No.: CH-80
Date of Request: 11/26/2008
Reply Date: 12/04/2008
Responding Witness: Rate of Return Panel
Subject: Determination of Central Hudson's Regulated Capital Structure

- Q. 80) Page 6 (lines 15-19) of the Rate of Return Panel ("RORP") provides a discussion concerning CH Energy Group's capital structure.
- a) Please describe the basis for removing all of the unregulated capital from CH Energy Group's capital structure.
 - b) Please cite the prior Commission cases in which all unregulated capital was removed from the consolidated capital structure before the imputation of the consolidated debt/equity ratio to the regulated operating company.

Responses

a) The basis for removing all unregulated capital from the consolidated capital structure of a parent company, such as CH Energy Group, is not unlike the basis underlying most other methodologies employed by Staff in rate case proceedings, which is to assess the risk of the utility operations being paid for by ratepayers and funded by investors. In order to determine the capital structure of a regulated utility, when it is not publicly traded, an indirect method must be used. The common and appropriate method employed by the Commission is to use the consolidated capital structure of the parent, adjusted to factor out the unregulated subsidiaries. This adjustment is necessary because regulated utilities have less risk than competitive unregulated entities. This adjustment results in a lowering of the equity level of the utility. To confirm this approach, we cite the Commission in Case 07-G-0141, on page 33, where it states: "We typically develop the capital structure for utility subsidiaries of holding company parents by first developing the consolidated capital structure of the parent, and then removing any equity capital associated with more risky competitive operations at an equity ratio consistent with our view that regulated transmission and distribution utilities are less risky than competitive ventures".

This is the Panel's basis for removing all of the unregulated capital from CH Energy Group's capital structure, in order to determine the regulated capital structure for Central Hudson.

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

Staff Response to Interrogatory/Document Request

Exhibit ___(SAR-1R)

Page 2 of 2

b) Prior Commission cases in which all unregulated capital was removed from the consolidated capital structure before the imputation of the determination of the debt/equity ratio to the unregulated operating entity include:

Case 07-G-0141 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of National Fuel Gas Distribution Corporation for Gas Service (issued December 21, 2007, pages 33-36.

Case 07-E-0523 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service (issued March 25, 2008), pages 110-113.

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

Staff Response to Interrogatory/Document Request

Exhibit __ (SAR-2R)

Page 1 of 2

Request No.: CH-81

Date of Request: 11/26/2008

Reply Date: 12/04/2008

Responding Witness: Rate of Return Panel

Subject: Consistency of the Panel's Capital Structure Methodology with
Commission Decisions in Cases 06-E-1433 and 05-E-1222

- Q. 81) Page 8 (lines 22-24) and Page 9 (lines 1-13) of the RORP testimony provide a discussion concerning the imputation of the consolidated capital structure of the parent holding company onto the regulated operating company. Within this discussion Case 06-E-1433 and Case 05-E-1222 are cited as examples of this policy. Please explain how the Panel's proposed methodology for imputing CHEG's capital structure onto Central Hudson's is consistent with the methods developed in the cited cases.
- a) What is the basis for methodology employed by the Panel in developing Central Hudson's capital structure from the holding company parent and unregulated subsidiary?
- b) According to the Commission's Order in Case 06-E-1433, "Staff readjust[ed] Orange and Rockland's capital structure in light of all of CEI's holdings, attributing similar equity ratios for both regulated and non-regulated subsidiaries." Please explain why this approach was not used to calculate Central Hudson's capital structure.
- c) According to the Commission's Order in Case 05-E-1222, "Staff except[ed] and propose[ed] that [the Commission] determine NYSEG's revenue requirements using Energy East's consolidated equity ratio of 40%. This ratio reflects the capital structure that investors see when evaluating Energy East's consolidated operations with subsidiaries that include NYSEG." Additionally, the Commission stated "...the established regulatory practice in New York in fully litigated rate proceedings, like this one, is to use the consolidated capital structure of the holding parent company for ratemaking purposes." The Commission further commented, "We find no valid basis for excluding electric utility holding company structures from the time-honored and well-established regulator practice." Please explain why this approach was not used by the RORP to calculate Central Hudson's capital structure.

Responses:

a) See response to CH-80a

b) While the outcome is different, the same approach was used for Central Hudson. The Commission's established practice is to use the consolidated capital structure of the parent company adjusted for the relative business and financial risks of the subsidiary companies. In the cited Order in Case 06-E-1433, the Commission states: "Staff's adjustment provides the more realistic estimate of the appropriate ratios on which to develop Orange and Rockland's overall cost of capital." In addition, the Commission states in the NFG Case 07-G-0141, that: "Because the parent company's bond rating has a substantial influence on the credit rating of all of the entities within the holding company, it follows that that the competitive operations should provide just as much support for the holding company's rating as the utility subsidiaries."

c) While the outcome is different, the same approach was used for Central Hudson. The Commission's established practice is to use the consolidated capital structure of the parent company adjusted for the relative business and financial risks of the subsidiary companies. In NYSEG's Order for Case 05-E-1222, on pages 87-90, the Commission reaffirms its practice of employing the consolidated capital structure and to adjust it for the relative business and financial risks of the subsidiary companies, in order to avoid arbitrary and capricious results. The Order states that for NYSEG, the use of the consolidated capital structure assured that excessive costs were not assigned to ratepayers. Further, the Commission stated that Energy East's leveraged capital structure negatively impacted the creditworthiness of the entire holding company structure, and that it could not set rates suggesting a credit rating that the utility company subsidiaries could not achieve.

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

Staff Response to Interrogatory/Document Request

Exhibit__ (SAR-3R)
Page 1 of 5

Request No.: CH-168
Date of Request: 12/08/2008
Reply Date: 12/15/2008
Responding Witness: Rate of Return Panel
Subject: Calculation of Capital Structure

Q. 168 - On page 8, line 24 through page 9, line 11, the Staff Rate of Return Panel states:

“Commission precedent regarding the calculation of a capital structure in a litigated rate case has clearly been to start with the parent Company’s capital structure and then adjust it assuming reasonable levels of debt and equity for non-utility operations. This is the methodology which was most recently employed by the Commission for electric rates in Case 06-E-1433 for Orange & Rockland Utilities, Inc., issued October 18, 2007, and for New York State Electric and Gas Corporation in Case 05-E-1222, issued August 23, 2006.”

Please provide the calculations showing separately the Panel’s understanding of each of the Commission’s adjustments to the holding company capital structures to develop the capital structures approved for the regulated utilities in Cases 06-E-1433 and 05-E-1222.

Supplemental Response:

The attached documents (CH-168 Supp. Attach.pdf) show the adjustments to the holding company capital structures, as adopted by the Commission, to develop the capital structures approved for the regulated utilities in Cases 06-E-1433 and 05-E-1222.

Exhibit 47

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Orange and Rockland Utilities, Inc.

Case 06-E-1433

May 2007

Prepared Exhibits of:

Craig E. Henry
Associate Utility Financial
Analyst
Office of Accounting, Finance
and Economics
New York State
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

**Adjusted Utility Capital Structure
As of December 31, 2006
(\$ millions)**

	C1	C2	C3	C4	C5	C6	C7	C8	C9
	CEI	CECONY	ORU	Utility	As Reported Non-Utility Operations (C1-C4)	Staff Adj Non-Utility Operations	Staff Adj Utility (12/31/06) (C1-C6)	Adj. to Refl Chgs thru R.Y.	Staff Adj Utility (C7-C8)
									Avg Rate Year
Assets									
Utility Plant (Original Cost)	\$14,775	\$13,872	\$903	\$14,775	\$0	\$0	\$14,775		
Electric	3,233	2,848	385	3,233	0	0	3,233		
Gas	1,691	1,691	0	1,691	0	0	1,691		
Steam	1,635	1,510	125	1,635	0	0	1,635		
General	21,334	19,921	1,413	21,334	0	0	21,334		
Total Utility Plant	4,583	4,173	409	4,582	1	0	4,583		
Less: Accumulated Depreciation	16,751	15,748	1,004	16,752	-1	0	16,751		
Net Plant	872	832	39	871	1	0	872		
Construction Work in Progress	17,623	16,580	1,043	17,623	0	0	17,623		
Net Utility Plant	822	15	0	15	807	807	15		
Non-Utility Plant	18,445	16,595	1,043	17,638	807	807	17,638		
Net Plant	2,937	2,156	277	2,433	504	504	2,433		
Total Current Assets	366	91	11	102	264	264	102		
Investments	4,951	3,974	437	4,411	540	540	4,411		
Tot Def.Chgs, Reg Assets + Noncurr Assets	\$26,699	\$22,816	\$1,768	\$24,584	2,115	\$2,115	\$24,584		
Total Assets									
Capitalization and Liabilities									
Capitalization	\$8,004	\$7,132	\$360	\$7,492	\$512	\$736	\$7,269	\$843	\$8,111
Common Shareholders' Equity	213	213	0	213	0	0	213	0	213
Preferred Stock	8,672	7,255	458	7,713	959	736	7,937	586	8,522
Long-term Debt (incl Curr Mat)	16,889	14,600	818	15,418	1,471	1,471	15,418		16,847
Total Capitalization									
Total Noncurrent Liabilities	1,452	1,024	366	1,390	62	62	1,390		
Total Current Liabilities (less Curr Mat)	2,543	1,967	248	2,215	328	328	2,215		
Total Def Credits and Regulatory Liabilities	5,774	5,225	336	5,561	213	213	5,561		
Total Capitalization and Liabilities	\$26,699	\$22,816	\$1,768	\$24,584	\$2,115	\$2,115	\$24,584		
Customer Deposit Total: (Included in Current Liabilities)	228	214	14	228	0	0	228	-13	215
Long-Term Debt:	50.7%	49.0%	55.0%	49.3%	65.2%	50.0%	50.73%		49.95%
Preferred Stock:	1.2%	1.4%	0.0%	1.4%	0.0%	0.0%	1.36%		1.25%
Customer Deposit:	1.3%	1.4%	1.7%	1.5%	0.0%	0.0%	1.46%		1.26%
Common Equity:	46.8%	48.1%	43.3%	47.9%	34.8%	50.0%	46.46%		47.54%

NYS Dept. of Public Service

Case 05-E-1222

Date 4-3-06

Ex. No. 130

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of

New York State Electric and Gas Corporation

Case 05-E-1222

February 2006

Prepared Exhibits of:

Staff Rate of Return Panel

John D. Stewart
Chief of Utility Accounting
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Office of Accounting and
Finance

Patrick J. Barry
Associate Utility Financial
Analyst
Office of Accounting and
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State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

Equity Ratios for Energy East, NYSEG and RG&E

	Consolidated Energy East Capital Structure		NYSEG Capital structure		RG&E Capital Structure	
	A	%	B	%	C	%
Notes Payable	\$206,472	3.1%	\$57,967	2.8%	\$0	0.0%
Long Term Debt (incl. debt owed to sub)	3,856,916	57.2%	1,065,355	50.8%	697,465	54.7%
Preferred Stock	46,671	0.7%	10,159	0.5%	0	0.0%
Common Equity	2,631,258	39.0%	963,641	46.0%	578,478	45.3%
total	\$6,741,317	100.0%	\$2,097,122	100.0%	\$1,275,943	100.0%

Residual Energy East Capital Structure After Removing NYSEG and RG&E Capital Structures

	Residual Energy East Capital Structure	
	A-B-C	%
Notes Payable	\$148,505	4.4%
Long Term Debt (incl. debt owed to sub)	\$2,094,096	62.2%
Preferred Stock	\$36,512	1.1%
Common Equity	\$1,089,139	32.3%
total	\$3,368,252	100.0%

1. Combined NYSEG and RG&E Capitalization	\$3,373,065
2. Energy East Consolidated Capitalization Line 1 divided by Line 2	\$6,741,317 50.0% NYSEG and RG&E capital as a % of consolidated Energy East capital
3. Combined NYSEG and RG&E Common Equity	\$1,542,119
4. Energy East Consolidated Common Equity Line 3 divided by Line 4	\$2,631,258 58.6% NYSEG and RG&E equity as a % of consolidated Energy East equity

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

Staff Response to Interrogatory/Document Request

Exhibit __ (SAR-4R)

Page 1 of 2

Request No.: CH-169 Supplemental
Date of Request: 12/08/2008
Reply Date: 12/15/2008
Responding Witness: Rate of Return Panel
Subject: Calculation of Capital Structure

Q. 169 - Please provide calculations showing the application of your adjustments to CHEG's capital structure to Con Edison, Inc. to develop the utility's capital structure.

Supplemental Response:

Please see the Excel document – CH-169 Supp. Attach.xls.

Staff Supplementary Response to Central Hudson
Interrogatory Response 169

Q.169 - Please provide calculations showing the application of your adjustments to CHEG's capital structure to Con Edison, Inc. to develop the utility's capital structure.

Supplemental Response:

See calculations below.

	<u>CEI</u>	<u>Unregulated Operations</u>	<u>Regulated Operations</u>	<u>Percentage</u>	<u>CEI's Regulated RYE Capital Structure</u>	<u>Percentage</u>
Capitalization and Liabilities						
Capitalization						
Common Shareholders' Equity	\$8,004	\$736	\$7,268	47.14%	\$8,111	47.54%
Preferred Stock	213	0	213	1.38%	213	1.25%
Customer Deposits					215	1.26%
Long Term Debt	<u>8,672</u>	<u>736</u>	<u>7,936</u>	<u>51.48%</u>	<u>8,522</u>	<u>49.95%</u>
Total Capitalization	<u>\$16,889</u>	<u>\$1,472</u>	<u>\$15,417</u>	<u>100.00%</u>	<u>\$17,061</u>	<u>100.00%</u>

Central Hudson Gas & Electric Corporation
Capital Structure Adjustment
as of December 31, 2007
(\$000)

As Proposed by the Rate of Return Panel in Exhibit (RRP-2)

	(a)	(b)	(c)	(d)	
	Consolidated Capital CH Energy at 12/31/07	Unregulated Capital CHEC 100% Equity	Central Hudson Regulated Capital Structure (a - b + CDs) at 12/31/07	Central Hudson Rate Year Capital Structure (a - b) at 06/30/10 ¹	Percentage
Long Term Debt	\$403,900		\$403,900	\$468,990	51.8%
Preferred Stock	21,027	0	21,027	21,027	2.3%
Common Equity	<u>523,148</u>	<u>176,142</u>	347,006	407,560	45.0%
Total Capital	<u>\$948,075</u>	<u>\$176,142</u>	<u>\$771,933</u>		
Customer Deposits (CDs)			<u>7,990</u>	<u>8,114</u>	<u>0.9%</u>
Total Capital w/ CDs			<u>\$779,923</u>	<u>\$905,691</u>	<u>100.0%</u>
RYE Capital				<u>\$905,688</u>	<u>100.0%</u>

¹ Rate year capital for preferred stock determined at \$21,027 K (2.3%) and customer deposits at \$8,114 K (.90%).
Common equity percentage rounded up to 45%, long term debt balance rounded up to \$468,990 from \$468,987.
Average rate year capital is: \$905,691

Central Hudson Gas & Electric Corporation
Capital Structure Adjustment
as of December 31, 2007
(\$000)

	(a)	(b)	(c)	(d)
	Consolidated Capital CH Energy at 12/31/07	Unregulated Capital CHEC 60% Equity	Central Hudson Regulated Capital Structure (a - b + CDs) at 12/31/07	Central Hudson Rate Year Capital Structure (a - b) at 06/30/10
			Percentage	Percentage
Long Term Debt	\$403,900	\$70,457	42.75%	\$391,767 43.3%
Preferred Stock	21,027	0	2.70%	21,027 2.3%
Common Equity	<u>523,148</u>	<u>105,685</u>	53.53%	484,780 53.5%
Total Capital	<u>\$948,075</u>	<u>\$176,142</u>		
Customer Deposits (CDs)			<u>7,990</u> 1.02%	<u>8,114</u> 0.9%
Total Capital w/ CDs			<u>\$779,923</u> 100.00%	<u>\$905,688</u> 100.0%
RYE Capital				<u>\$905,688</u> 100.0%

Central Hudson Gas & Electric Corporation
Capital Structure Adjustment
as of December 31, 2007
(\$000)

	(a)	(b)	(c)	(d)
	Consolidated Capital CH Energy at 12/31/07	Unregulated Capital CHEC 50% Equity	Central Hudson Regulated Capital Structure (a - b + CDs) at 12/31/07	Central Hudson Rate Year Capital Structure (a - b) at 06/30/10
			Percentage	Percentage
Long Term Debt	\$403,900	\$88,071	40.49%	\$371,312 41.0%
Preferred Stock	21,027	0	2.70%	21,027 2.3%
Common Equity	<u>523,148</u>	<u>88,071</u>	55.78%	505,235 55.8%
Total Capital	<u>\$948,075</u>	<u>\$176,142</u>		
Customer Deposits (CDs)		<u>7,990</u>	1.02%	<u>8,114</u> 0.9%
Total Capital w/ CDs		<u>\$779,923</u>	100.00%	<u>\$905,688</u> 100.0%
RYE Capital				<u>\$905,688</u> 100.0%

Central Hudson Gas & Electric Corporation
Capital Structure Adjustment
as of December 31, 2007
(\$000)

	(a)	(b)	(c)	(d)
	Consolidated Capital CH Energy at 12/31/07	Unregulated Capital CHEC \$50M of Debt	Central Hudson Regulated Capital Structure (a - b + CDs) at 12/31/07	Central Hudson Rate Year Capital Structure (a - b) at 06/30/10 Percentage
Long Term Debt	\$453,900	\$50,000	\$403,900	\$443,298 48.9%
Preferred Stock	21,027	0	21,027	21,027 2.3%
Common Equity	<u>523,148</u>	<u>126,142</u>	397,006	433,249 47.8%
Total Capital	<u>\$998,075</u>	<u>\$176,142</u>	<u>\$821,933</u>	
Customer Deposits (CDs)			<u>7,990</u>	<u>8,114</u> 0.9%
Total Capital w/ CDs			<u>\$829,923</u>	<u>\$905,688</u> 100.0%
RYE Capital				<u>\$905,688</u> 100.0%

Central Hudson Gas & Electric Corporation
Capital Structure Adjustment
as of September 30, 2008
(\$'000)

	(a)	(b)	(c)	(d)
	Consolidated Capital CH Energy at 09/30/08	Unregulated Capital CHEC at 09/30/08	Central Hudson Regulated Capital Structure (a - b + CDs) at 09/30/08	Central Hudson Rate Year Capital Structure (a - b) at 06/30/10
			Percentage	Percentage
Long Term Debt	\$403,900	\$0	50.41%	\$460,197 50.8%
Preferred Stock	21,027	0	2.62%	21,027 2.3%
Common Equity	<u>520,869</u>	<u>152,525</u>	45.97%	416,350 46.0%
Total Capital	<u>\$945,796</u>	<u>\$152,525</u>		
Customer Deposits (CDs)		<u>7,990</u>	1.00%	<u>8,114</u> 0.9%
Total Capital w/ CDs		<u>\$801,261</u>	100.00%	<u>\$905,688</u> 100.0%
RYE Capital				<u>\$905,688</u> 100.0%

Central Hudson Gas & Electric Corporation
Capital Structure Adjustment
as of September 30, 2008
(\$000)

	(a)	(b)	(c)	(d)	
	Consolidated Capital CH Energy at 09/30/08	Unregulated Capital CHEC \$28M of Debt	Central Hudson Regulated Capital Structure (a - b + CDs) at 09/30/08	Central Hudson Rate Year Capital Structure (a - b) at 06/30/10	Percentage
Long Term Debt	\$428,900	\$28,000	\$400,900	\$442,103	48.8%
Preferred Stock	21,027	0	21,027	21,027	2.3%
Common Equity	<u>520,869</u>	<u>124,525</u>	396,344	434,444	48.0%
Total Capital	<u>\$970,796</u>	<u>\$152,525</u>	<u>\$818,271</u>		
Customer Deposits (CDs)			<u>7,990</u>	<u>8,114</u>	<u>0.9%</u>
Total Capital w/ CDs			<u>\$826,261</u>	<u>\$905,688</u>	<u>100.0%</u>
RYE Capital				<u>\$905,688</u>	<u>100.0%</u>

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

Staff Response to Interrogatory/Document Request

Exhibit __ (SAR-6R)

Request No.: CH-82
Date of Request: 11/26/2008
Reply Date: 12/04/2008
Responding Witness: Rate of Return Panel
Subject: S&P Report "New Business Profile Scores Assigned for U.S. Utility and Power Companies: Financial Guidelines Revised"

Q. 82) Page 10 (lines 15-22) of the RORP contains a discussion concerning a November 30, 2007, S&P report entitled "New Business Profile Scores Assigned for U.S. Utility and Power Companies: Financial Guidelines revised."

- a) Please provide a copy of this report.
- b) In that report, please indicate where it is stated that "S&P indicates that A-rated companies, like Central Hudson, can maintain an A-rating with debt to total capital ratios as high as 60%...."

A. The date of the report should read June 2, 2004.

- a) A copy of the report is attached.
- b) The report does not specifically refer to Central Hudson.

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

Staff Response to Interrogatory/Document Request

Exhibit ___(SAR-7R)

Request No.: CH-83
Date of Request: 11/26/2008
Reply Date: 12/05/2008
Responding Witness: Rate of Return Panel
Subject: Three Year Average Debt Ratio of A-rated Utility Companies

Q. 83) Page 11 (lines 2-4) of the RORP contains a discussion concerning the average debt ratios of the 51 utility companies with an "A-rating." Please provide all work papers and calculations supporting the statement "...the average debt ratio of 95% of the 51 utility companies with an 'A-rating' was in the range of 58.2% to 45%." All Excel spreadsheets/worksheets should be field accessible.

Response:

The report entitled "2007 Utility Comparative Ratio Analysis, Long-Term Debt—U.S." (attached) provides the mean debt ratio of 52.8% and the standard deviation of 6.4% for 51 electric utility companies, for the three years ending December 2007. The statement should read... "the average debt ratio of "approximately 68%" of the 51 utility companies with an "A-rating" was in the range of 59.2% to 46.4%." The range is equal to the mean \pm 1 standard deviation = (52.8%+6.4%) to (52.8 %-6.4%) = (59.2% to 46.4%).

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

Staff Response to Interrogatory/Document Request

Exhibit__ (SAR-8R)
Page 1 of 4

Request No.: CH-212
Date of Request: December 12, 2008
Reply Date: December 22, 2008
Responding Witness: Rate of Return Panel
Subject: Clarification of Column Headings and Sub-Headings for RRP-4

Q. 212) Within Exhibit RRP-4, page 1, the 5th column in the table contains the following heading:

Outlook	
<u>S&P</u>	<u>Moody's</u>

However, the columns under this heading appear to contain the S&P classifications of financial risk and business risk for the companies identified in the 2nd column of the table. Please confirm that the heading should be changed to read:

S&P Profiles	
<u>Business Risk</u>	<u>Financial Risk</u>

Response:

Please see the Revised Exhibit__ (RRP-4). The first line of the column table heading now reads: "S&P Profiles" and the second line reads "Business Risk and Financial Risk."

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

Staff Response to Interrogatory/Document Request

Exhibit___(SAR-8R)
Page 2 of 4

Request No.: CH-213
Date of Request: December 12, 2008
Reply Date: December 22, 2008
Responding Witness: Rate of Return Panel
Subject: Clarification of Column Headings and Sub-Headings for RRP-4

Q. 213) Within Exhibit RRP-4, page 1, the column heading of the 6th column in the table contains the following heading:

S&P Profiles	
<u>Business Risk</u>	<u>Financial Risk</u>

Please confirm that the values contained in the sixth column were not assigned by S&P, but by Staff using the correlation table set forth on the bottom of page 1 of RRP-4 bearing the title "LEGEND: S&P Profile Scores."

Response:

Please see the Revised Exhibit_(RRP-4). The heading of the sixth column of the table now reads "Staff Ascribed Weighting **." The numbers contained in the sixth column were ascribed by Staff using the table on the bottom of page 1 entitled "LEGEND: Staff Ascribed Weightings."

Central Hudson Gas & Electric
Historical Stock Price Performance
CH Energy Group vs. Indices
Periods Ended October 31, 2008

ID #	Company	Credit Ratings		Staff Ascribed Weighting *		S & Profiles		Staff Ascribed Weighting **		Company Revenues		
		S&P	Moody's	S&P	Moody's	Business Risk	Financial Risk	Business	Financial	Regulated	Total	% Regulated
Electric Utility (East) Industry												
1	Allegheny Energy Corp.	BBB-	Ba1	10		Strong	Aggressive	2	4	\$283,900	\$330,700	85.8%
2	CH Energy Group	A	A2	6	6	Excellent	Intermediate	1	3	\$78,229	\$119,680	65.4%
3	Central Vermont Public Service	BBB+	WR	8		Excellent	Intermediate	1	3	\$32,075	\$32,910	97.5%
4	Consolidated Edison	A-	A2	7	6	Excellent	Intermediate	1	3	\$1,082,100	\$1,312,000	82.5%
5	Constellation Energy Group, Inc.	BBB	Baa1	9	8	Strong	Intermediate	2	3	\$339,860	\$2,119,300	16.0%
6	Dominion Resources, Inc.	A-	Baa2	7	9	Excellent	Aggressive	1	4	\$721,800	\$1,567,400	46.1%
7	Duke Energy Corp.	A-	Baa2	7	9	Excellent	Intermediate	1	3	\$969,600	\$1,272,000	76.2%
8	Energy East Corp.	BBB+	Baa2	8	9	Excellent	Aggressive	1	4	\$402,205	\$517,800	77.7%
9	Exelon Corp.	BBB+	Baa1	8	8	NNN				\$1,171,700	\$1,891,600	61.9%
10	FPL Group, Inc.	A	A2	6	6	Excellent	Intermediate	1	3	\$1,162,200	\$1,526,300	76.1%
11	FirstEnergy Corp.	BBB	Baa3	9	10	Excellent	Aggressive	1	4	\$1,130,500	\$1,280,200	88.3%
12	Northeast Utilities	BBB	Baa2	9	9	Excellent	Intermediate	1	3	\$574,360	\$582,200	98.7%
13	NSTAR	A+	A2	5	6	Excellent	Intermediate	1	3	\$312,330	\$326,180	95.8%
14	PPL Corp.	BBB	Baa2	9	9	Excellent	Aggressive	1	4	\$411,400	\$649,800	63.3%
15	Peppco Holdings, Inc.	BBB	Baa3	9	10	Strong	Aggressive	2	4	\$524,420	\$936,640	56.0%
16	Progress Energy	BBB+	Baa2	9	9	Excellent	Aggressive	1	4	\$767,200	\$945,300	81.2%
17	Public Service Enterprise Group	BBB	Baa2	9	9	Excellent	Aggressive	1	4	\$510,500	\$1,285,300	39.7%
18	SCANA Corp.	A-	Baa1	7	8	Excellent	Aggressive	1	4	\$305,900	\$462,100	66.2%
19	Southern Co.	A	A3	6	7	Excellent	Intermediate	1	3	\$1,514,000	\$1,535,300	98.6%
20	TECO Energy, Inc.	BBB-	Baa3	10	10	Excellent	Aggressive	1	4	\$278,810	\$353,610	78.8%
21	UIL Holdings Corp.	NNN	Baa3		10	NNN				\$98,100	\$98,200	99.9%
Electric Utility (Central) Industry												
22	ALLETE	BBB+	Baa1	8	8	Strong	Intermediate	2	3	\$72,380	\$84,170	86.0%
23	Alliant Energy Corp.	BBB+	NNN	8		Excellent	Aggressive	1	4	\$311,270	\$343,760	90.5%
24	Ameren Corp.	BBB-	Baa3	10	10	Satisfactory	Aggressive	3	4	\$626,700	\$754,600	83.1%
25	American Electric Power	BBB	Baa2	9	9	Excellent	Intermediate	1	3	\$1,210,100	\$1,338,000	90.4%
26	Aquila, Inc.	BBB	Baa2	9	9	Excellent	Aggressive	1	4	\$144,360	\$146,660	98.5%
27	CMS Energy Corp.	BBB-	Baa3	10	10	Excellent	Aggressive	1	4	\$606,400	\$651,800	93.0%
28	CenterPoint Energy	BBB	Ba1	9	9	Excellent	Aggressive	1	4	\$594,300	\$962,300	61.8%
29	Cleco Corp	BBB	Baa3	9	10	NNN				\$98,819	\$103,060	95.9%
30	DPL Inc.	BBB	Baa2	9	9	Excellent	Aggressive	1	4	\$105,700	\$151,570	69.7%
31	DTE Energy Co.	BBB	Baa2	9	9	Excellent	Aggressive	1	4	\$677,500	\$886,100	76.5%
32	Empire District Electric	BBB-	Baa2	10	9	Strong	Aggressive	2	4	\$48,692	\$49,020	99.3%
33	Entergy Corp.	BBB	Baa3	9	10	Strong	Aggressive	2	4	\$925,500	\$1,148,400	80.6%
34	Great Plains Energy Inc.	BBB	Baa2	9	9	Excellent	Aggressive	1	4	\$129,270	\$326,710	39.6%
35	ITC Holding Corp.	BBB	Baa3	9	10	Excellent	Aggressive	1	4	\$42,620	\$42,620	100.0%
36	Integrus Energy Group, Inc.	A-	A3	7	7	Strong	Intermediate	2	3	\$330,540	\$1,029,200	32.1%
37	MGE Energy, Inc.	AA-	Aa3	4	4	Excellent	Modest	1	2	\$53,241	\$53,780	99.0%
38	NISource Inc.	BBB-	NNN	10		NNN				\$689,480	\$794,000	86.8%
39	OGE Energy Corp.	BBB+	Baa1	8	8	Strong	Intermediate	2	3	\$183,510	\$379,760	48.3%
40	Otter Tail Corp.	BBB+	A3	8	7	Strong	Intermediate	2	3	\$32,348	\$123,890	26.1%
41	Vectren Corp.	A-	Baa1	7	8	NNN				\$175,990	\$228,190	77.1%
42	Westar Energy	BBB	Baa3	9	10	Excellent	Aggressive	1	4	\$118,596	\$172,680	68.7%
43	Wisconsin Energy	BBB+	A3	8	7	Excellent	Intermediate	1	3	\$422,480	\$423,780	99.7%
Electric Utility (West) Industry												
44	Avista Corp.	BBB-	Baa3	10	10	Strong	Aggressive	2	4	\$128,838	\$141,776	90.9%
45	Black Hills Corp.	BBB-	Baa3	10	10	Strong	Intermediate	2	3	\$30,151	\$69,590	43.3%
46	Edison International	BBB-	Baa2	9	9	Strong	Aggressive	2	4	\$1,047,800	\$1,311,300	79.9%
47	El Paso Electric	BBB	Baa2	10	9	Strong	Aggressive	2	4	\$46,673	\$92,920	50.2%
48	Hawaiian Electric	BBB	Baa1	9	8	Strong	Aggressive	2	4	\$210,631	\$253,640	83.0%
49	IDACORP, Inc.	BBB	Baa2	9	9	Strong	Aggressive	2	4	\$82,325	\$87,940	93.6%
50	MDU Resources Group, Inc.	BBB+	A3	8	7	NNN				\$72,636	\$424,790	17.1%
51	PG&E Corp.	BBB+	Baa1	8	8	Excellent	Intermediate	1	3	\$1,323,800	\$1,323,700	100.0%
52	PNM Resources	BB-	Baa2			Satisfactory	Highly Leveraged	3	5	\$131,740	\$191,400	68.8%
53	Pinnacle West Capital	BBB-	Baa3	10	10	Strong	Aggressive	2	4	\$291,816	\$352,360	82.8%
54	Portland General Electric	BBB+	Baa2	8	9	Strong	Intermediate	2	3	\$146,800	\$174,300	84.2%
55	Puget Energy, Inc.	BBB-	Ba1	10	9	Excellent	Aggressive	1	4	\$320,586	\$322,010	99.6%
56	Sempra Energy	BBB+	Baa1	8	8	NNN				\$713,400	\$1,143,800	62.4%
57	Sierra Pacific Res.	BB	Baa3			Excellent	Highly Leveraged	1	5	\$360,092	\$360,100	100.0%
58	UniSource Energy	NNN	Ba1			NNN				\$112,539	\$138,140	81.5%
59	Xcel Energy, Inc.	BBB+	Baa1	8	8	Excellent	Aggressive	1	4	\$995,972	\$1,003,395	99.3%

** LEGEND: Staff Ascribed Weightings			
Business Profile	Score	Financial Profile	Score
Excellent	1	Minimal	1
Strong	2	Modest	2
Satisfactory	3	Intermediate	3
Weak	4	Aggressive	4
Vulnerable	5	Highly Leveraged	5

* LEGEND2: Staff Ascribed Weightings		
S&P	Moody's	Score
AAA	Aaa	1
AA+	Aa1	2
AA	Aa2	3
AA-	Aa3	4
A+	A1	5
A	A2	6
A-	A3	7
BBB+	Baa1	8
BBB	Baa2	9
BBB-	Baa3	10

LEGEND1:		
S&P	Moody's	Inv. Grade
AAA	Aaa	Yes
AA+	Aa1	Yes
AA	Aa2	Yes
AA-	Aa3	Yes
A+	A1	Yes
A	A2	Yes
A-	A3	Yes
BBB+	Baa1	Yes
BBB	Baa2	Yes
BBB-	Baa3	Yes
BB+	Ba1	No
BB	Ba2	No
BB-	Ba3	No
B+	B1	No

Central Hudson Gas & Electric
Historical Stock Price Performance
CH Energy Group vs. Indices
Periods Ended October 31, 2008

Case 08-E-0887 and Case 08-G-0888
Exhibit__(RRP-4)
Page 2 of 2

Company	Credit Ratings		Staff Ascribed Average Credit Rating *		S&P Profiles		Staff Ascribed Average Profile Score **		Company Revenues		
	S&P	Moody's	S&P	Moody's	Business Risk	Financial Risk	Business	Financial	Regulated	Total	% Regulated
East	BBB+	Baa1	7.85	8.32	Excellent	Aggressive	1.16	3.53	\$13,350,789	\$19,114,520	69.8%
Central	BBB	Baa2	8.55	8.58	Excellent	Aggressive	1.42	3.58	\$7,703,742	\$10,194,130	75.6%
West	BBB	Baa2	9.0	8.75	Strong	Aggressive	1.77	3.92	\$6,015,598	\$7,391,161	81.4%
Industry	BBB+	Baa2	8.40	8.52	Excellent	Aggressive	1.41	3.85	\$27,070,129	\$36,699,811	73.8%

NY PARENT COMPANIES

CH Energy Group	A	A2	6	6	Excellent	Intermediate	1	3	\$78,229	\$119,680	65.4%
Consolidated Edison	A-	A2	7	6	Excellent	Intermediate	1	3	\$1,082,100	\$1,312,000	82.5%
Energy East Corp.	BBB+	Baa2	8	9	Excellent	Aggressive	1	4	\$402,205	\$517,800	77.7%
National Grid PLC	A-	Baa1	7	8	Strong	Aggressive	2	4			
AVERAGE	A-	A3	7.0	7.3	Excellent	Aggressive	1.3	3.5	\$1,562,534	\$1,949,480	80.2%

NY ELECTRIC UTILITY OPERATIONS:

Niagara Mohawk Power Corporation	A-	A3	7	7	Excellent	Aggressive	1	4			
National Grid USA	A-	A3	7	7	Excellent	Intermediate	1	3			
Orange & Rockland Utilities Inc.	A-	A2	7	6	Excellent	Intermediate	1	3			
Consolidated Edison Co. of NY Inc.	A-	A1	7	5	Excellent	Intermediate	1	3			
KeySpan Energy Delivery (Long Island)	A		6		Excellent	Intermediate	1	3			
KeySpan Energy Delivery (New York)	A		6		Excellent	Intermediate	1	3			
KeySpan Corporation	A-	Baa1	7	8	Excellent	Intermediate	1	3			
Central Hudson Gas & Electric Corp.	A	A2	6	6	Excellent	Intermediate	1	3			
New York State Electric & Gas Corp.	BBB+	Baa1	8	8	Excellent	Aggressive	1	4			
Rochester Gas & Electric Corp.	BBB+	Baa1	8	8	Excellent	Aggressive	1	4			
AVERAGE	A-	A3	6.9	6.9	Excellent	Intermediate	1.0	3.3			

* See LEGEND2 on RRP-4, pg. 1 of 2

** See LEGEND on RRP-4, pg. 1 of 2

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

Staff Response to Interrogatory/Document Request

Exhibit ___(SAR-9R)

Request No.: CH-84
Date of Request: 11/26/2008
Reply Date: 12/05/2008
Responding Witness: Rate of Return Panel
Subject: Ratemaking Equity Ratio for Central Hudson Compared to that for New York Utilities that are Owned by International Companies and/or Maintain Fixed-Price Option Programs

- Q. 84) On page 11, line 24, and page 12, lines 1 – 23, the Panel lists additional business and financial risks as support for higher equity ratios allowed for other New York State utilities compared to that recommended for Central Hudson. These include the ownership of New York State utilities by international parent companies and fixed-price option programs.
- a) Please explain how the ownership of a utility by an international company warrants a higher equity ratio in the determination of the cost of capital reflected in its delivery rates.
 - b) Please explain how fixed price option programs warrant a higher equity ratio in the determination of the cost of capital reflected in delivery rates.

Responses:

a) The Panel's statement is based on Central Hudson's credit rating and equity ratio relative to that of the other utility companies. Central Hudson has an A/A2 credit rating, whereas Niagara Mohawk has an A-/A3 rating, and both NYSEG and RGE have BBB+/Baa1 ratings. Ownership by an international company, alone, does not warrant a higher equity ratio in the determination of the cost of capital reflected in delivery rates. The Panel referred to such ownership as an example of the additional risks faced by these companies as reflected in their lower credit ratings, which in turn are supported by higher equity ratio guidelines. This is shown in the S&P report provided in response to CH-82a, page 4.

b) The Panel's statement is based on Central Hudson's credit rating and equity ratio relative to that of the other utility companies. Central Hudson has an A/A2 credit rating, whereas Niagara Mohawk has an A-/A3 rating and both NYSEG and RGE have BBB+/Baa1 ratings. A fixed price option program, in itself, does not warrant a higher equity ratio in the determination of the cost of capital reflected in delivery rates. The Panel referred to such programs as an example of the additional risks faced by these companies as reflected in their lower credit ratings, which in turn are supported by higher equity ratio guidelines. This is shown in the S&P report provided in response to CH-82a, page 4.

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

Staff Response to Interrogatory/Document Request

Exhibit__(SAR-10R)

Request No.: CH-86
Date of Request: 11/26/2008
Reply Date: 12/04/2008
Responding Witness: Rate of Return Panel
Subject: Clarification of Debt Costs to be Deferred and a Sample Deferral Calculation for Debt Costs

Q. 86) On pages 18 – 19, in the RORP’s discussion of the cost of long-term debt, a deferral of the cost of new debt is proposed.

- a) Does this deferral include all long-term debt transactions during the rate year, including new issues and the potential refinancing of auction rate debt?
- b) Please describe in further detail and provide a sample calculation to illustrate how the deferral would work.

Responses:

- a) The deferral will include new issues and the potential refinancing of auction rate debt.
- b) At the end of the rate year ended June 30, 2010, Central Hudson would calculate its actual weighted cost of long-term debt (LTD) for the rate year. Central Hudson would then compare this amount to weighted cost of LTD used by the Commission to determine the electric and gas revenue requirements. The resulting difference would then be multiplied by the forecasted rate base amounts adopted by the Commission to determine the electric and gas amounts to be deferred.

	Electric	Gas
Actual Weighted Cost of LTD	2.77%	2.77%
Weighted Cost of LTD per Commission	2.97%	2.97%
Difference	-0.20%	-0.20%
Forecasted Rate Base per Commission	\$1,000	\$500
Deferred Credit Owed Ratepayers	(\$2)	(\$1)

2008 Investment Grade Debt Issuance Activity - Energy and Utilities

Date	Issuer	Sector	Ratings	Term	Size (\$M)	Pricing	Coupon
				(years)		Spread	
12/10	Monongahela Power Co.	Utility Opco	Baa2/BBB+	5	\$300	639.4	7.950%
12/9	FPL Group Capital	Holding Company	A2/A-	7	\$450	596.7	7.875%
12/8	Oklahoma Gas & Electric	Utility Opco	A2/BBB+	10	\$250	549	8.25%
12/8	Wisconsin Electric Power	Utility Opco	A1/A+	7	\$250	425	6.25%
12/4	Central Illinois Light Co.	Utility Opco	Baa2/BBB+	5	\$150	734.9	8.875%
12/3	Potomac Electric Power Co.	Utility Opco	Baa1/BBB+	30	\$250	462.7	7.90%
12/2	Consolidated Edison Co.	Utility Opco	A1/A-	10	\$600	450	7.125%
12/2	Washington Gas Light Co.	Gas Distribution	A2/AA-	10	\$50	475.4	7.464%
12/1	Wisconsin Public Service Co.	Utility Opco	Aa3/A+	7	\$125	434.5	6.375%
11/25	Dominion Resources	Holding Company	Baa2/A-	10(P5)	\$600	678.9	8.875%
11/24	Public Service Electric & Gas	Utility Opco	A3/A-	5	\$275	412.5	6.33%
11/18	Delmarva Power & Light Co.	Utility Opco	Baa1/A-	5	\$250	420	6.40%
11/18	Westar Energy	Utility Opco	Baa2/BBB	10	\$300	521.3	8.625%
11/18	Southern California Gas Co.	Gas Distribution	A1/A+	5	\$250	332	5.50%
11/17	Sempra Energy	Holding Company	Baa1/BBB+	5	\$250	670	8.900%
11/17	Sempra Energy	Holding Company	Baa1/BBB+	10	\$500	619	9.800%
11/14	Mississippi Power Co.	Utility Opco	A2/A	5	\$50	375	6.00%
11/14	Southwestern Public Service	Utility Opco	Baa1/BBB+	10	\$250	516	8.75%
11/14	Alabama Power Co.	Utility Opco	A2/A	5	\$250	355	5.80%
11/13	Cleveland Electric & Illum. Co.	Utility Opco	Baa2/BBB+	10	\$300	514	8.875%
11/13	Pacific Gas & Electric Co.	Utility Opco	A3/BBB+	5	\$400	410	6.25%
11/13	Pacific Gas & Electric Co.	Utility Opco	A3/BBB+	10	\$200	395	8.25%
11/13	Central Hudson Gas & Electric	Utility Opco	A2/A	5	\$30	450	6.854%
11/12	Duke Energy Carolinas, LLC	Utility Opco	A2/A	5	\$400	345	5.75%
11/12	Duke Energy Carolinas, LLC	Utility Opco	A2/A	10	\$500	340	7.00%
11/12	Georgia Power Co.	Utility Opco	A2/A	5	\$400	360	6.00%
11/6	Atlantic City Electric	Utility Opco	A3/A	10	\$250	412.5	7.75%
11/3	Virginia Electric & Power Co.	Utility Opco	Baa1/A-	30	\$700	456	8.875%
10/20	Illinois Power Co.	Utility Opco	Baa3/BBB	10	\$400	609	9.75%
10/16	Pacific Gas & Electric Co.	Utility Opco	A3/BBB+	10	\$600	456	8.25%
10/15	Ohio Edison Co.	Utility Opco	Baa1/BBB+	30	\$300	450	8.25%
10/14	PPL Electric Utilities	Utility Opco	A3/BBB+	5	\$400	412.5	7.125%
10/7	Southern California Edison	Utility Opco	A2/A	5	\$500	340	5.75%
10/7	Detroit Edison Co.	Utility Opco	A3/A-	5	\$250	400	6.40%
10/1	Interstate Power & Light Co.	Utility Opco	A3/BBB+	10	\$250	358	7.25%
10/1	Wisconsin Power & Light Co.	Utility Opco	A2/A	30	\$250	350	7.75%
9/25	PECO Energy	Utility Opco	A2/A	5	\$300	262.5	5.60%
9/25	Wisconsin Electric Power	Utility Opco	A1/A-	5	\$250	300	6.00%
9/25	South Carolina Elec. & Gas	Utility Opco	A2/A-	10	\$250	265	6.50%
9/24	UGI Utilities	Utility Opco	A3/A	5	\$108	347	6.375%
9/19	Laclede Gas	Gas Distribution	A3/A-	30	\$80	225	6.35%
9/8	Consumers Energy	Utility Opco	Baa1/BBB+	10	\$350	245	6.125%
9/4	Oklahoma Gas & Electric	Utility Opco	A2/BBB+	10	\$250	275	6.35%
9/4	Ohio Power Corp.	Utility Opco	A3/BBB	5	\$250	290	5.75%
9/3	Northern States Power Co. (WI)	Utility Opco	A2/A	30	\$200	210	6.375%
9/3	Oncor Electric Delivery	Utility Opco	Baa3/BBB+	5	\$650	305	5.95%
9/3	Oncor Electric Delivery	Utility Opco	Baa3/BBB+	10	\$550	312.5	6.80%
9/3	Oncor Electric Delivery	Utility Opco	Baa3/BBB+	30	\$300	320	7.50%
8/27	Sierra Pacific Power Company	Utility Opco	Baa3/BBB-	5	\$250	247	5.45%
8/21	Orange & Rockland Utilities	Utility Opco	A2/A-	10	\$50	237.5	6.15%
8/21	Washington Gas Light Co.	Gas Distribution	A2/AA-	2	\$50	80	3ML+80
8/18	Duke Energy Indiana	Utility Opco	A3/A	30	\$500	193	6.35%
8/13	Southern Company	Holding Company	A3/A-	2	\$600	70	3ML+70
8/11	Entergy Louisiana LLC	Utility Opco	Baa1/A-	10	\$300	248	6.50%
8/11	Southern California Edison	Utility Opco	A2/A	10	\$400	155	5.50%
8/6	Public Service Co. of Colorado	Utility Opco	A3/A	10	\$300	175	5.80%
8/6	Public Service Co. of Colorado	Utility Opco	A3/A	30	\$300	185	6.50%
7/31	HKCG Finance Ltd.	Gas Distribution	A1/A+	10	\$1,000	237.5	6.25%
7/25	Nevada Power Company	Utility Opco	Baa3/BBB	10	\$500	245	6.50%
7/23	Abu Dhabi National Energy Co.	Genco	Aa2/AA-	5	\$1,000	325	6.60%
7/23	Abu Dhabi National Energy Co.	Genco	Aa2/AA-	10	\$500	325	7.25%
7/16	PPL Energy Supply	Genco	Baa2/BBB+	5	\$300	315	6.30%
7/14	PacifiCorp	Utility Opco	A3/A-	10	\$500	180	5.65%
7/14	PacifiCorp	Utility Opco	A3/A-	30	\$300	192	6.35%
7/14	Entergy Arkansas	Utility Opco	Baa1/A-	5	\$300	223	5.40%
7/7	Idaho Power Co.	Utility Opco	A3/A-	10	\$120	215	6.025%
6/23	National Rural Utilities	Co-Operative	A1/A+	2	\$400	3ML+77.5	3ML+77.5
6/23	National Rural Utilities	Co-Operative	A1/A+	5	\$900	190	5.50%
6/23	Baltimore Gas & Electric Co.	Utility Opco	Baa2/BBB+	5	\$400	250	6.125%

Exhibit (SAR-11R)
Page 1 of 3

2008 Investment Grade Debt Issuance Activity - Energy and Utilities

Date	Issuer	Sector	Ratings	Term (years)	Size (\$M)	Pricing Spread	Coupon
6/17	South Carolina Elec. & Gas	Utility Opco	A2/A-	30	\$110	165	6.05%
6/12	Union Electric	Utility Opco	Baa1/BBB+	10	\$450	253	6.70%
6/12	Dominion Resources	Holding Company	Baa2/A-	2	\$300	3ML+105	3ML+105
6/12	Dominion Resources	Holding Company	Baa2/A-	10	\$500	220	6.40%
6/12	Dominion Resources	Holding Company	Baa2/A-	30	\$400	230	7.00%
6/11	Progress Energy Florida	Utility Opco	A2/A-	10	\$500	163	5.65%
6/11	Progress Energy Florida	Utility Opco	A2/A-	30	\$1,000	175	6.40%
6/11	Duke Energy Corp.	Holding Company	Baa2/BBB+	5	\$250	220	5.65%
6/11	Duke Energy Corp.	Holding Company	Baa2/BBB+	10	\$250	220	6.25%
6/11	FPL Group Capital	Holding Company	A2/A-	3	\$250	3ML+88	3ML+88
6/11	FPL Group Capital	Holding Company	A2/A-	5	\$250	188	5.35%
6/9	Sempra Energy	Holding Company	Baa1/BBB+	10	\$500	215	6.15%
6/4	Southwestern Electric Power	Utility Opco	Baa1/BBB	10	\$400	255	6.45%
6/4	Detroit Edison Co.	Utility Opco	A3/A-	10	\$250	170	5.60%
6/2	Northeast Utilities	Holding Company	Baa2/BBB-	5	\$250	240	5.65%
5/29	El Paso Electric Co.	Utility Opco	Baa2/BBB	30	\$150	280	7.50%
5/28	Cleco Power LLC	Utility Opco	Baa1/BBB	10	\$250	268	6.65%
5/27	Georgia Power Co.	Utility Opco	A2/A	10	\$250	155	5.40%
5/19	Connecticut Light & Power	Utility Opco	A3/BBB+	10	\$300	180	5.65%
5/19	Public Service of New Hampshire	Utility Opco	Baa1/BBB+	10	\$110	215	6.00%
5/15	NiSource Finance Corp.	Holding Company	Baa3/BBB-	5	\$200	292	6.15%
5/15	NiSource Finance Corp.	Holding Company	Baa3/BBB-	10.5	\$500	297	6.80%
5/13	Columbus Southern Power	Utility Opco	A3/BBB	10	\$350	220	6.05%
5/13	Empire District Electric Co.	Utility Opco	Baa1/BBB+	10	\$90	248	6.375%
5/13	Tampa Electric Co.	Utility Opco	Baa2/BBB-	10	\$150	225	6.10%
5/12	Entergy Louisiana LLC	Utility Opco	Baa3/BBB+	10	\$375	230	6.00%
5/8	Alabama Power Co.	Utility Opco	A2/A	30	\$300	155	6.125%
5/8	Public Service Co. of New Mexico	Utility Opco	Baa3/BB+	10	\$350	418.5	7.95%
5/6	TransAlta Corp	Holding Company	Baa2/BBB	10	\$500	285	6.65%
5/1	Israel Electric	Utility Opco	Baa2/BBB+	10	\$1,000	350	7.25%
5/1	CenterPoint Energy Inc.	Holding Company	Ba1/BBB+	10	\$300	282	6.500%
4/23	Great River Energy	Co-Operative	A3/BBB+	20.2	\$400	275	7.233%
4/15	E.ON AG	Holding Company	A2/A	10	\$2,000	225	5.80%
4/15	E.ON AG	Holding Company	A2/A	30	\$1,000	225	6.65%
4/14	Virginia Electric & Power Co.	Utility Opco	Baa1/A-	10	\$600	195	5.40%
4/10	Korea Southern Power	Utility Opco	A1/A-	5	\$300	290	5.375%
4/10	Public Service Electric & Gas	Utility Opco	A3/A-	10	\$400	178	5.30%
4/9	Duke Energy Carolinas, LLC	Utility Opco	A2/A	10	\$300	165	5.10%
4/9	Duke Energy Carolinas, LLC	Utility Opco	A2/A	30	\$900	177	6.05%
4/8	National Fuel Gas Company	Gas Distribution	Baa1/BBB+	10	\$300	300	6.50%
4/7	Spectra Energy	Gas Distribution	Baa1/BBB	10	\$500	265	6.20%
4/4	Ameren Energy Generating	Genco	Baa2/BBB-	10	\$300	352	7.00%
4/1	Consolidated Edison Co.	Utility Opco	A1/A-	10	\$600	230	5.85%
4/1	Consolidated Edison Co.	Utility Opco	A1/A-	30	\$600	240	6.75%
4/1	Union Electric	Utility Opco	A3/BBB	10	\$250	250	6.00%
4/1	Illinois Power Co.	Utility Opco	Baa3/BBB-	10	\$337	275	6.25%
3/27	Avista Corp.	Holding Company	Baa2/BBB+	10	\$250	250	5.95%
3/25	International Transmission Co.	Transmission	A3/A-	10	\$100	225	5.75%
3/25	MidAmerican Energy Holdings	Holding Company	Baa1/BBB+	10	\$650	225	5.75%
3/24	Questar Gas Co.	Gas Distribution	A3/A-	10	\$50	275	6.30%
3/24	Questar Gas Co.	Gas Distribution	A3/A-	30	\$100	285	7.20%
3/24	Potomac Electric Power Co.	Utility Opco	Baa1/BBB+	30	\$250	245	6.50%
3/19	MidAmerican Energy	Utility Opco	A2/A-	10	\$350	190	5.30%
3/19	Appalachian Power Co.	Utility Opco	Baa2/BBB	30	\$500	280	7.00%
3/19	Commonwealth Edison	Utility Opco	Baa2/BBB	10	\$700	245	5.80%
3/13	American Electric Power	Holding Company	Baa3/BB+	60nc5	\$275	525	8.75%
3/12	Georgia Power Co.	Utility Opco	A2/A	2	\$250	55	3ML+55
3/11	Northern States Power Co.	Utility Opco	A2/A	10	\$500	170	5.25%
3/11	PPL Energy Supply	Genco	Baa2/BBB+	10	\$400	295	6.50%
3/10	Consumers Energy	Utility Opco	Baa1/BBB	10	\$250	225	5.65%
3/10	Carolina Power & Light Co.	Utility Opco	A2/A-	30	\$300	185	6.30%
3/6	Kansas City Power & Light Co.	Utility Opco	A3/BBB	10	\$350	275	6.375%
3/5	Public Service Electric & Gas	Utility Opco	A3/A-	2	\$300	L+87.5	L+87.5
3/5	SCANA Corporation	Holding Company	Baa1/BBB+	12	\$250	260	6.250%
2/26	Pacific Gas & Electric Co.	Utility Opco	A3/BBB+	10	\$200	155	5.625%
2/26	Pacific Gas & Electric Co.	Utility Opco	A3/BBB+	30	\$400	170	6.35%
2/25	Peco Energy	Utility Opco	A2/A	10	\$500	147	5.35%
1/28	Oklahoma Gas & Electric	Utility Opco	A2/BBB+	30	\$200	220	6.450%
1/15	National Rural Utilities	Co-Operative	A1/A+	10	\$700	180	5.450%

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2008 Investment Grade Debt Issuance Activity - Energy and Utilities

Date	Issuer	Sector	Ratings	Term (years)	Size (\$M)	Pricing Spread	Coupon
1/15	Tennessee Valley Authority	Co-Operative	Aaa/AAA	40	\$500	62	4.875%
1/15	ITC Holdings	Transmission Holdco	Baa3/BBB-	10	\$385	240	6.05%
1/15	ITC Midwest LLC	Transmission	A3/A-	30	\$175	187.5	6.15%
1/14	Southern California Edison	Utility Opco	A2/A	30	\$600	160	5.95%
1/10	Florida Power & Light Co.	Utility Opco	Aa3/A	30	\$600	158	5.95%
1/9	Commonwealth Edison	Utility Opco	Baa2/BBB	30	\$450	215	6.45%
1/8	Alabama Power	Utility Opco	A2/A	5	\$300	153	4.85%
1/7	South Carolina Elec. & Gas	Utility Opco	A2/A-	30	\$250	172	6.05%
1/7	Duke Energy Carolinas, LLC	Utility Opco	A2/A	10	\$400	145	5.25%
1/7	Duke Energy Carolinas, LLC	Utility Opco	A2/A	30	\$500	165	6.00%

Exhibit__(SAR-11R)
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