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March 23, 2017

Honorable Kathleen H. Burgess, Secretary
State of New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Central Hudson Gas & Electric Corporation Tariff Filing to Reflect New Pole Attachment Rates

Dear Secretary Burgess:

The enclosed rate leaf, issued by Central Hudson Gas & Electric Corporation (the Company), is transmitted for filing in compliance with the requirements of the Public Service Commission of the State of New York, and is as follows:

P.S.C. No. 15 - Electricity

8th Revised Leaf No. 120

This amendment is issued March 23, 2017 to become effective July 1, 2017. The purpose of this filing is to update the pole attachment rates applicable to cable system operators and telecommunication carriers to reflect 2016 actual data. The revised rate applicable to cable system operators included on Leaf 120 has been computed in compliance with the Federal formula for determining CATV attachment rates adopted by Order of the Commission in Case 01-E-0026, issued and effective July 16, 2002.

The manner in which temporary closings in net pole investment are reflected in the attachment rate calculation is consistent with the method that the Company used in a previous filing in Case 08-E-0330. The Company feels that this adjustment is necessary in order to correctly reflect the net investment associated with the total number of equivalent poles, which is a factor utilized in the attachment rate calculation. As explained in the Order of the aforementioned case, temporary closings represent "plant that is included in the continuing property records (CPR) to an unspecified property unit. It is necessary to exclude temporary closings from the cost of the net investment per bare pole calculation, because at this point in time, only investment dollars have been added to the CPR and not the corresponding number of units. By excluding temporary closings, investment dollars are properly matched to pole units. To do otherwise would overstate the cost of a bare pole."¹ The Company recognizes that adjustments for temporary closings are based on internal data, and in an effort to streamline the process of making internal data available to interested parties, the Company was ordered in Case 08-E-0330 to file internal company data used in the pole attachment rate calculation at the time that pole attachment rate filings are submitted to the Commission. Attachment A to this filing letter contains internal company data supporting adjustments made for temporary closings.

¹ Case 08-E-0330 – Tariff Filing by Central Hudson Gas & Electric Corporation to Update the Pole Attachment Rates Applicable to Cable System Operators and Telecommunication Carriers, Order Issued and Effective June 19, 2008, Page 3.

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The Company also recognizes that accumulated depreciation data included in the pole attachment rate calculation is based on internal data. As the Commission noted in its Order in Case 07-E-0383, “the FCC does not forbid a state regulatory agency from using non-public data provided by the utility. Therefore, in reviewing pole attachment rates, a state commission may use internal utility data that it determines are more accurate than FERC-1 or ARMIS data.”² In this same Order, the Commission went on to state, “Staff believes that the internal company data is more accurate for calculating the pole plant depreciation than the data available in the FERC-1 form.”³ Again, in an effort to make internal data readily available, Attachment B to this filing letter contains internal pole plant depreciation data.

In reviewing the pole attachment rate calculation based on 2016 data, the Company noted that a large portion of the proposed increase is attributable to the change in the estimated cost of a bare pole. The increase in this estimate is a result of net pole plant investment increasing at a greater rate than the equivalent pole estimate. This trend is reasonable, as the average cost of a new pole is greater than the cost at which old poles are being retired. In addition, in July of 2016 Plant Accounting removed a significant number of poles that have been on the books with negative values. These poles were contributing to the equivalent pole count but had no overall asset value because they were offset by poles with a corresponding positive value. For example there were poles on the books with a negative 75 asset value which were offset by corresponding poles with a positive 75 asset value. There was a net zero overall dollar impact on the Company’s books when they were removed. A lower equivalent pole total combined with a significant increase in pole investment were the two main drivers in the increased estimated cost of a bare pole.

The Company has also provided, in Attachment C, additional plant data used in the pole attachment rate calculation.

Central Hudson requests that the requirement to publish a notice of this filing be waived, as the Company is arranging to notify all cable system operators and telecommunication carriers doing business within its service territory of this filing.

Questions related to this filing should be directed to Jay Tompkins at (845) 486-5203.

Very truly yours,

Anthony S. Campagiorni
Vice President – Regulatory & Government Affairs

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² Case 07-E-0383 – Tariff Filing by Central Hudson Gas & Electric Corporation to Update the Pole Attachment Rates Applicable to Cable System Operators and Telecommunication Carriers, Order Issued and Effective June 20, 2007, Page 4.

³ Ibid.

Attachment A

Account Summary by Functional Class / Utility Account - Selected Accounts

~~Page 2 ii. Temp Closings Account 136400~~

Central Hudson - Set of books: SEC

Period Beginning: Jan-2016

Period Ending: Dec-2016

Functional Class Utility Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
G-Electric Distribution						
136400 DISTR-POLES TOWERS & FIXTUR	\$25,016,154.00	\$2,941,401.67	\$0.00	\$0.00	\$0.00	\$27,957,555.67
G-Electric Distribution Subtotal:	\$25,016,154.00	\$2,941,401.67	\$0.00	\$0.00	\$0.00	\$27,957,555.67
Grand Total:	\$25,016,154.00	\$2,941,401.67	\$0.00	\$0.00	\$0.00	\$27,957,555.67

Attachment B

Combined Reserve Balances and Activity by GL Account

Page 2iii. Accum Depr Account 136400

Central Hudson

Starting Month: 01/2016

Ending Month: 12/2016

Set of Books

Company

GL Account

Depr. Group

Beginning Reserve

Provision

Retirements

Cost of
RemovalSalvage and
Other CreditsTransfers and
AdjustmentsImpairments
and (Gain)
/ Loss

Ending Reserve

SEC

Central Hudson

10801

136400 DISTR-POLES TOWERS & FID	\$40,971,526.98	\$4,648,329.12	(\$2,006,364.78)	(\$1,771,248.84)	\$830,515.76	\$0.00	\$0.00	\$42,672,758.24
GI Account Code Subtotal:	\$40,971,526.98	\$4,648,329.12	(\$2,006,364.78)	(\$1,771,248.84)	\$830,515.76	\$0.00	\$0.00	\$42,672,758.24
Company Subtotal:	\$40,971,526.98	\$4,648,329.12	(\$2,006,364.78)	(\$1,771,248.84)	\$830,515.76	\$0.00	\$0.00	\$42,672,758.24
Grand Total:	\$40,971,526.98	\$4,648,329.12	(\$2,006,364.78)	(\$1,771,248.84)	\$830,515.76	\$0.00	\$0.00	\$42,672,758.24

Attachment C

Account Summary by Functional Class / Utility Account - Selected Accounts

Page 2 I: Gross Pole Investment Account 136400

Central Hudson - Set of books: SEC

Period Beginning: Jan-2016

Period Ending: Dec-2016

Functional Class Utility Account	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
G-Electric Distribution						
136400 DISTR-POLES TOWERS & FIXTUR	\$207,275,062.00	\$16,526,171.89	(\$2,006,364.78)	\$0.00	\$0.00	\$221,794,869.11
G-Electric Distribution Subtotal:	\$207,275,062.00	\$16,526,171.89	(\$2,006,364.78)	\$0.00	\$0.00	\$221,794,869.11
Grand Total:	\$207,275,062.00	\$16,526,171.89	(\$2,006,364.78)	\$0.00	\$0.00	\$221,794,869.11

Central Hudson - Set of books: SEC
Central Hudson

Business Segment
Major Location

	Vintage	Accum Cost	Allocated Reserve	Net Value
1 - Electric				
00009 DISTRIBUTION MASS PROPERTY				
	1998	\$1,465.00	\$393.93	\$1,071.07
	1999	\$15,962.00	\$4,061.46	\$11,900.54
	2000	\$3,392.00	\$813.90	\$2,578.10
	2001	\$1,159.00	\$261.26	\$897.74
	2002	\$526.00	\$110.90	\$415.10
	2003	\$5,218.52	\$1,024.10	\$4,194.42
	2004	\$29,045.00	\$5,275.99	\$23,769.01
	2006	\$7,362.49	\$1,122.43	\$6,240.06
	2007	\$22,329.00	\$3,079.33	\$19,249.67
	2009	\$67,179.35	\$7,314.87	\$59,864.48
	2010	\$185,762.00	\$17,549.34	\$168,212.66
	2011	\$337,524.32	\$27,036.96	\$310,487.36
	2012	\$1,079,055.50	\$70,978.95	\$1,008,076.55
	2013	\$1,186,710.17	\$61,142.82	\$1,125,567.35
	2014	\$2,789,740.00	\$103,969.09	\$2,685,770.91
	2015	\$5,746,887.06	\$131,723.54	\$5,615,163.52
	2016	\$14,154,915.80	\$116,455.46	\$14,038,460.34
Major Location Total:		\$25,634,233.21	\$552,314.33	\$25,081,918.88
Business Segment Total:		\$25,634,233.21	\$552,314.33	\$25,081,918.88
Company Total:		\$25,634,233.21	\$552,314.33	\$25,081,918.88
Grand Total for Selected Assets:		\$25,634,233.21	\$552,314.33	\$25,081,918.88

Step 10

Page 2 Allocated Reserve
related to Temp Closings