Received: 02/28/2022

Christopher M. Capone, CFA Executive Vice President & Chief Financial Officer



February 28, 2022

Michelle Phillips, 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 Phillips:

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

13th Revised Leaf No. 120

This amendment is issued February 28, 2022 to become effective July 1, 2022. The purpose of this filing is to update the pole attachment rates applicable to cable system operators, telecommunication carriers and wireless communication carriers to reflect 2021 actual data. The revised rates applicable to cable system operators and telecommunication carriers included on Leaf 120 have 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 and Case 16-M-0330, issued and effective March 14, 2019 for wireless communications carriers.

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." 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.

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

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<sup>&</sup>lt;sup>1</sup> 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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or ARMIS data."<sup>2</sup> 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."<sup>3</sup> 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 2021 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. Therefore, in the instance of a pole replacement, the pole quantity is not changing, but investment is increasing. Other drivers of the increase in the pole attachment rate are increased general & administrative, and maintenance expense.

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.

Respectfully submitted,

Christopher Capone

Executive Vice President & CFO

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<sup>&</sup>lt;sup>2</sup> 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.

<sup>&</sup>lt;sup>3</sup> Ibid.