

**Responses of the Consumer Protection Board to the Third Set of
Central Hudson Gas & Electric Corporation
Interrogatories to the Consumer Protection Board**

- 8) With reference to the first change proposed by CPB to section "X." of the Joint Proposal ("However, if the yearly funding level for the program is not exhausted, the Company will keep enrolling all eligible customers who ask to participate in the program subject to the budget constraints discussed below."), please:
- a) Explain how CPB understands the Joint Proposal would work absent the change proposed by CPB;
 - b) Explain how the language proposed by CPB would work; and
 - c) Specifically identify all the differences in operation of EPOP that CPB envisions would be produced by its proposed language.

Response

- a) It is not clear from the language in Section X whether or not the Company would enroll more than 1220 customers in Rate Year 2 if funding is left over from Rate Year 1's \$1.747 million budget and whether or not the Company would

enroll more than 1330 customers in Rate Year 3 if funding is left over from Rate Year 2's \$1.957 million budget.

b) If funding is left over from Rate Year 1's \$1.747 million budget, then the under expenditures would be rolled over for use in Rate Year 2 to enroll more customers than the 1220 target. Similarly, if funding is left over from Rate Year 2's \$1.957 million budget, then the under expenditures would be rolled over for use in Rate Year 3 to enroll more customers than the 1330 target. In no case would the 15% overspending figure mentioned in the Joint Proposal be used to increase enrollment above each Rate Year's target.

c) See a) and b) above. Further, to allay concern that the CPB's proposed language would require the Company to increase program enrollment by using "up to 15% of any Rate Year's total program costs," this modification to our previously proposed language is offered:

However, if the yearly funding level for the program is not exhausted, the Company will keep enrolling all eligible customers who ask to participate in the program subject to the budget constraints discussed below. available funding consisting of the sum of unused funds from the previous Rate Year and the current Rate Year's

funding (\$1.957 million for Rate Year 2 and \$2.170 million for Rate Year 3).

9) With reference to the second change proposed by CPB to section "X." of the Joint Proposal ("The Company will also promptly notify the parties by electronic mail whenever the number of participants reaches 95% of that Rate Year's participation target or whenever program spending reaches 95% or 110% of that Rate Year's funding level. Sharing of this information would allow parties to assess whether or not to make an individual party or joint filing with the Commission recommending adjustments to EPOP."), please explain in detail why the continued filing of quarterly and annual reports and evaluations in accordance with the March 22, 2007 EPOP Order in Cases 05-E-0934 and 05-G-0935 is not adequate.

Response

The Signatory Parties are to be commended for including in the Joint Proposal the continued filing of quarterly and annual reports and evaluations. The CPB's proposed language addresses our interest in providing the parties with the ability to react promptly to a possible oversubscription of EPOP **before** the funds are actually exhausted. By the time a

Cases 08-G-0588 & 08-E-0589
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quarterly report is filed, several months may have elapsed since EPOP fully spent its budget. Timely notification allows the parties to consider before EPOP funds are actually exhausted whether or not any recommendations should be made to the Commission regarding EPOP. The CPB believes that a simple note via electronic mail is not burdensome.