

Paul E. Haering
Vice President
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February 13, 2015

RE: Case 04-M-0159

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Dear Secretary Burgess,

Enclosed, for filing with the Commission, is Central Hudson Gas and Electric's "Contact (Stray) Voltage Test and Facility Inspection Annual Report for 2014" in compliance with the Safety Standards Order 04-M-0159 of January 5, July 21, 2005, December 15, 2008, March 22, 2013, and January 13, 2015 for Contact (Stray) Voltage Testing and Inspection.

This report details the completion status of Central Hudson's Contact (Stray) Voltage Testing and Facility Inspection program for the period from January 1, 2014 through December 31, 2014. The program efforts in 2014 have resulted in the testing and/or inspection of 55,120 devices. Central Hudson successfully completed all required stray voltage testing and inspection activities for all facility categories: Overhead Distribution, Manholes and Pull Boxes, Pad Mounted Equipment, Substation Fences, Streetlights and Traffic Signals, and Overhead Transmission.

There were twenty-three (23) stray (contact) voltage conditions identified as defined by the Safety Standards definition of stray (contact) voltage, "voltage conditions on electric facilities that should not ordinarily exist." This represents a failure rate of 0.04% of all facilities tested for stray voltage. In 2014, stray (contact) voltage was not found on any manholes, pullboxes, transmission structures, and substation fences.

Communications regarding distribution inspections and stray voltage testing should be directed to Heather Adams, Associate Director – Electric Distribution and Standards, via email at HAdams@cenhud.com or by phone at 845-486-5552. For information regarding transmission inspections, please contact Eric Loeven, Director – Electric System Design, via email at ELoeven@cenhud.com or by phone at 845-486-5506.

Sincerely,

A handwritten signature in black ink that reads "Paul E. Haering".

Cc: Michael Worden – NYS PSC
Jason Pause – NYS PSC
Patrick Maher – NYS PSC

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**CENTRAL HUDSON GAS & ELECTRIC
CORPORATION**

Contact (STRAY) VOLTAGE TESTING

And

FACILITY INSPECTIONS

Report

On the results of the

2014 Stray Voltage Testing and Facility Inspections

February 15, 2015

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I. Background

The New York State Public Service Commission's ("PSC" or "Commission") Electric Safety Standards Order issued on January 5, 2005 (Case 04-M-0159), with subsequent revisions issued on July 21, 2005, December 15, 2008, March 22, 2013, and January 13, 2015 (collectively referred to herein as the "Safety Standards" or "Order"), requires electric utilities in New York State to test all of their publicly accessible overhead distribution facilities, underground residential distribution facilities, overhead and underground transmission facilities, and substation fences at least once every five years. The Order also requires all non-URD underground facilities, municipally owned traffic signals and streetlights, to be tested for stray voltage annually. The Order requires utilities to inspect all utility owned electric facilities every five years.

This report describes Central Hudson's stray voltage detection program and equipment inspection program conducted in 2014.

II. Company Overview

Central Hudson Gas & Electric Corporation is a regulated transmission and distribution utility that provides electric service to approximately 300,000 customers in a service area of approximately 2,600 square miles in eight counties of New York State's Mid-Hudson River Valley. Central Hudson's service territory extends north from the suburbs of metropolitan New York City to the Capital District of Albany.

Central Hudson owns substations having an aggregate transformer capacity of 5,300 MVA. Central Hudson's electric transmission system consists of 629 pole miles of line. The electric distribution system consists of 7,183 pole miles of overhead lines and 1,504 trench miles of underground primary lines.

III. Contact (Stray) Voltage Testing Program

On March 22nd, 2013, the Commission issued a revision to the Order reducing the scope of stray voltage testing. Poles (transmission and distribution), URD pads, and substation fences require a stray voltage test once in five years. Streetlights, traffic signals, and underground structures (manholes and pullboxes) must be tested annually. The target numbers in this report reflect the reduced scope of the testing requirements.

During the twelve-month period ending December 31, 2014, stray voltage testing was completed on Central Hudson's publicly accessible electric transmission and distribution facilities that are capable of conducting electricity as directed by the Order. Stray voltage testing was also conducted on all Company and non-Company owned metallic streetlights and traffic signals. Central Hudson also tested all publicly accessible facilities within thirty feet of a component found to have an elevated voltage in accordance with the Order.

In addition, as required by the Order, Central Hudson:

- a. Immediately safeguarded and/or mitigated all stray voltages $\geq 1.0 V_{ac}$. In instances where the contact voltage finding was determined to be caused by equipment not owned by Central Hudson, the area was immediately made safe and the municipalities, customers, or responsible parties associated with the premises were notified of the unsafe condition and the need for them to arrange for a permanent repair. Voltage findings that were caused by a Central Hudson owned facility were immediately safeguarded and/or mitigated. All permanent repairs were completed within 45 days, except in extreme circumstances.
- b. Tested all publicly accessible structures and sidewalks within a 30 foot radius of the electric facility or streetlight where there was a voltage finding $\geq 1.0 V_{ac}$.
- c. Responded to and investigated all shock incidents reported by the public and mitigated positive findings.

All of the facilities that are included in Central Hudson's Stray Voltage Testing Program were visited. Of the 55,120 facilities visited, 870 locations did not have a stray voltage test performed because their electrically conductive appurtenances were deemed inaccessible. Inaccessible locations were defined in the Order as locations that have locked gates/fences, are located in dangerous terrain, or are located on limited access highways.

Stray Voltage Mitigation Efforts

Central Hudson identified sixty-two (62) locations with voltage readings greater than or equal to $1 V_{ac}$. Twenty-three (23) metal apparatuses from thirteen (13) sources were found to have contact voltage (defined as stray voltage in the Order) and were mitigated.

Three (3) streetlights with voltage findings of $2.119V_{ac}$, $3.248 V_{ac}$, and $18.82 V_{ac}$ were located in the Poughkeepsie district. One (1) streetlight with a voltage finding of $29.91 V_{ac}$ was located in the Kingston district. Two (2) streetlights with voltage findings of $2.662 V_{ac}$ and $12.19 V_{ac}$ were discovered in the Newburgh district. The municipalities were contacted and the conditions were mitigated within 45 days of discovery.

Three (3) poles located in the Poughkeepsie District with voltage findings of $1.698 V_{ac}$, $2.293 V_{ac}$, and $3.072 V_{ac}$, all located on the down ground, were from a single source. Central Hudson changed the transformers on the poles and checked all the neutral connections. Two (2) of the findings were reduced to below $1 V_{ac}$ and the remaining finding was measured at $1.06 V_{ac}$. Central Hudson is working with Verizon and Sprint as they troubleshoot their equipment on the right of way.

Four (4) distribution poles located in the Poughkeepsie District with voltage findings ranging between 1.01 and $1.66 V_{ac}$ was from a single source. Central Hudson Crews made permanent repairs in the area, reducing the voltage to less than $1V_{ac}$ on all four poles.

Two (2) distribution poles located in the Poughkeepsie District had voltage findings of 1.286 V_{ac} and 1.56 V_{ac} on the guy wire and ground respectively were caused by a broken neutral. Central Hudson Crews made permanent repairs and mitigated the voltages to less than 1V_{ac}.

One pad mount transformer located in the Poughkeepsie district had a voltage reading of 1.967 V_{ac} was the result of neutral damage on the URD cable. At the time of this writing, Central Hudson is working with the customer to mitigate the issue. Work has been suspended due to the weather and frozen ground conditions. The site is currently closed to the public.

The remaining facilities were in separate locations and had errant voltage as a result of poor ground connections. All findings were mitigated to less than 1 V_{ac} by repairs of the ground connections and installing additional ground rods at each location.

Central Hudson was not required by the Order to perform mobile detection of its system between January 1, 2013 and December 31, 2013. Therefore, Central Hudson did not perform any mobile system scans during this period.

IV. Facility Inspection Program

The Order requires Central Hudson to visually inspect 100% of its electric facilities within five years. This equates to inspecting approximately 20% of these facilities annually.

In accordance with the Order, Central Hudson uses the following severity levels to report deficiencies to the PSC and establish priority for repairs and scheduling:

Level I – Repair as soon as possible but not longer than one week. A Level I deficiency is an actual or imminent safety hazard to the public or poses a serious and immediate threat to the delivery of power. Critical safety hazards present at the time of the inspection shall be guarded until the hazard is mitigated.

Level II – Repair within one year. A Level II deficiency is likely to fail prior to the next inspection cycle and represent a threat to safety and/or reliability should a failure occur prior to repair.

Level III – Repair within three years. A Level III deficiency does not present immediate safety or operational concerns and would likely have minimum impact on the safe and reliable delivery of power if it does fail prior to repair.

Level IV – Condition found but repairs are not needed at this time. Level IV is used to track atypical conditions that do not require repair within a five-year timeframe. This level should be used for future monitoring purposes and planning proactive maintenance activities.

In accordance with the PSC requirements, when a temporary repair is located during inspection or performed by the company, best efforts are put forth to make a permanent

repair of the facility within 90 days. Temporary repairs that remain on the system for more than 90 days are due to extraordinary circumstances, such as storms, require extensive repair activity, or have special requirements. Central Hudson began tracking temporary repairs during the 2009 calendar year. Results from this tracking have been compiled and described in Appendix 4 of this report.

V. Company Facilities

Based on the requirements of the Order, Central Hudson identified approximately 55,120 individual electric facilities that required testing for the presence of contact voltage in 2014. These facilities were also inspected at the time of the stray voltage test. These facilities are broken down into four main categories as follows:

Distribution Overhead – The testing criteria for distribution overhead with an operating voltage of 34.5 kV or less, includes all utility owned or joint use wooden poles with utility electrical facilities that are located on public thoroughfares or customer property, including backyards and alleys. There are approximately 209,039 distribution pole structures in Central Hudson’s service territory. Contact voltage tests are performed on all wooden poles with metallic attachments such as ground wires, ground rods, anchor guy wires, riser pipes, or any electrical equipment within reach of the general public every 5 years. Distribution overhead facilities are included in both the stray voltage testing and inspection programs.

Underground Facilities – The testing criteria for underground facilities is comprised of subsurface structures, including above ground, pad-mounted structures. There are approximately 15,852 underground facilities that comprise Central Hudson’s system. Within this total are approximately 1,212 manholes and pullboxes and approximately 14,504 pad-mounted structures. Included in the underground facilities are padmount switchgear cases, padmount transformer cases, electric utility manhole covers, submersible transformer covers, electric utility handhole covers, network vaults and grates. These facilities are included in both the contact voltage and facility inspection programs.

Streetlights and Traffic Signals – The testing criteria for street lights and traffic signals includes all metal pole streetlights, traffic signals, and pedestrian crosswalk signals located on publicly accessible thoroughfares. There are approximately 5,787 metal pole streetlights and approximately 827 traffic signals within Central Hudson’s service territory. This total includes 187 metal pole streetlights owned by Central Hudson with the balance of the equipment owned by various municipalities. All contact voltage testing of streetlights is performed at night while the fixtures are energized. Pursuant to the Order, area and street lighting that is privately owned is not included in the contact voltage testing program. All Company-owned streetlights are included in the facility inspection program.

Transmission Structures – The testing criteria for transmission structures include all structures, guys, and down grounds attached to the structures. There are approximately 8,582 individual structures that comprise Central Hudson’s transmission system. Transmission structures support circuit voltages of 69 kV and above. Transmission

structures as described above, with distribution underbuild, are included in this transmission category. Transmission structures are included in both the contact voltage and facility inspection programs.

Substation Fences – The testing criteria for substation fences consists of testing the fencing on the outside of the substation. There are approximately 104 substation fences in Central Hudson’s territory. All substation fences are included in the contact voltage testing program.


VI. Annual Performance Targets

Central Hudson performed the required contact voltage testing and facilities inspections in accordance with the requirements set forth in the Order.

In compliance with the Order, Central Hudson has met the annual performance target for contact voltage by testing 20% of the publicly accessible electric facilities and 100% streetlights, traffic signals, manholes, and pullboxes for the twelve month period ending December 31, 2014.

In addition, Central Hudson has met the performance target for facility inspections by inspecting more than 20% of its electric facilities during the one-year period ending December 31, 2014 as defined in the Order.

The results are summarized in the tables as follows:

	Total System Units Requiring Testing	Units Completed	Percent Completed
Distribution Facilities	42,698	42,698	100%
Underground Facilities	4,214	4,214	100%
Non-URD	1,212	1,212	100%
Street Lights / Traffic Signals	6,614	6,614	100%
Substation Fences	13	13	100%
Transmission (69kV and Above)	1,581	1,581	100%
TOTAL	55,120	55,120	100%

Facility Inspection Program Results

Category	Inspection Target Through 2014	Cumulative Total of Units Inspected 2010 - 2014 (Actual)
Overhead Distribution	N/A	119.06%
Overhead Transmission	N/A	107.72%
Underground (Non-URD)	N/A	108.16%
Pad-mounted Transformers	N/A	119.96%
Streetlight	100%	100%
System Total	100%	100%

5-Year Inspection Performance Summary

Overhead Distribution Facilities

Central Hudson performs inspections on overhead distribution facilities on a five-year cycle. As for 2014, there were approximately 209,039 distribution poles in Central Hudson's system.

Inspection Year	Overhead Distribution Structures Inspected	% of Overall System Inspected (Yearly)	% of Overall System Inspected (Cumulative)
2010	74,023	35.37%	35.37%
2011	41,810	19.98%	55.35%
2012	45,911	21.94%	77.29%
2013	44,733	21.37%	98.66%
2014	42,698	20.40%	119.06%

Overhead Transmission Facilities

Central Hudson performs inspections on overhead transmission facilities on a five-year cycle. As of 2014, there were approximately 8,582 transmission poles in Central Hudson's system.

Inspection Year	Overhead Transmission Facilities Inspected	% of Overall System Inspected (Yearly)	% of Overall System Inspected (Cumulative)
2010	2,823	32.89%	32.89%
2011	1,664	19.39%	52.28%
2012	1,436	16.73%	69.01%
2013	1,741	20.29%	89.30%
2014	1,581	18.42%	107.72%

Manholes and Pullboxes

Central Hudson performs inspections on manholes and pullboxes on a five-year cycle. As of 2014, there were approximately 1,212 manholes and pullboxes in Central Hudson's system.

Inspection Year	Manholes and Pullboxes Facilities Inspected	% of Overall System Inspected (Yearly)	% of Overall System Inspected (Cumulative)
2010	352	29.04%	29.04%
2011	251	20.71%	49.75%
2012	123	10.14%	59.89%
2013	342	28.22%	88.11%
2014	243	20.05%	108.16%

Padmount Transformers

Central Hudson performs inspections on padmount transformers on a five-year cycle. As of 2014, there were approximately 14,640 padmounts in Central Hudson's electric system.

Inspection Year	Padmount Transformers Inspected	% of Overall System Inspected (Yearly)	% of Overall System Inspected (Cumulative)
2010	7,122	48.65%	48.65%
2011	3,226	22.04%	70.69%
2012	2,752	18.80%	89.49%
2013	1,350	9.22%	98.71%
2014	3,111	21.25%	119.96%

Streetlights

Central Hudson performs inspections on Company-owned streetlights yearly in conjunction with contact voltage testing. As technicians perform contact voltage testing, they also perform a visual inspection of the streetlights.

Inspection Year	Streetlights Inspected	% of Overall System Inspected (Yearly)	% of Overall System Inspected (Cumulative)
2010	187	100%	100%
2011	187	100%	100%
2012	187	100%	100%
2013	187	100%	100%
2014	187	100%	100%

VII. Certifications

Pursuant to Section 7 of Appendix A of the Order, the President or Officer of each utility with direct responsibility for overseeing contact voltage testing and facility inspections shall provide an annual certification to the Commission that the utility has, to the best of his or her knowledge, exercised due diligence in carrying out a plan, including quality assurance, that is designed to meet the contact (stray) voltage testing and inspection requirements, and that the utility has:

- Tested all of its publicly accessible electric facilities and street lights/traffic signals, as referred to in the body of the February 15 Report, and
- Inspected the requisite number of electric facilities.

The certifications are attached as Exhibit 1 of this report.

VIII. Analysis of Causes of Findings and Contact Voltage

All New York State utilities compile an inventory of all findings and report on the number of these findings each year. Section 1(f) of the January 13, 2015 Order defines a finding as “any confirmed voltage reading on an electric facility or streetlight ≥ 1 volt measured using a volt meter and 500 ohm shunt resistor.” Section 1(c) defines stray voltage as “voltage conditions on electric facilities that should not ordinarily exist. These conditions may be due to one or more factors, including, but not limited to, damaged cables, deteriorated, frayed, or missing insulation, improper maintenance, or improper installation.”

To distinguish between dangerous contact voltage and naturally occurring voltage, field forces use a handheld oscilloscope meter to classify these different types of voltages. By looking at the total harmonic distortion of a voltage waveform and the breakdown of the harmonics, in addition to the condition of the location, the proper actions can be taken.

If contact voltage is present, then the waveform will appear as a perfect 60 Hz sinusoidal wave with 10% or less total harmonic distortion. These voltages result from a variety of conditions including: deterioration of conductors; age of equipment; exposure to the elements; and various customer related issues. These voltages should not exist on normally operating electric facilities and are considered to be contact voltages per the Order definition in Section 1(c).

Section 3(h) of the Order requires “Mitigation shall be completed on any stray voltage findings.” Through the efforts of the Contact Voltage testing program, Central Hudson has been able to repair these issues and mitigate the danger associated with these elevated voltages.

When examining a naturally occurring voltage on a handheld oscilloscope, high harmonic content from different frequencies (generally 180 Hz and 300 Hz) will cause distortion in

the voltage waveform. Causes of these voltages include, but are not limited to, naturally occurring neutral to earth voltages (as part of a multi-grounded WYE power system); poor soil grounding conditions; load balance between phases; long low voltage single phase circuit spurs with high current loads; capacitive coupling; and/or proximity to transmission lines. Since all of these voltage sources are considered part of a normally operating electrical distribution system, they do not require mitigation per the Order.

Although not all findings are due to contact voltage, utilities are required to report on all findings, regardless of whether or not the voltage is normal to the operating system. It has been established that 62.9% (39) of the findings identified in this year’s testing effort are normal to the operating system, and not due to contact voltage. Inclusion of these naturally occurring voltages in the findings gives the perception that there are more potentially hazardous voltage findings than actually exist. The remaining twenty-three (23) findings that were identified as contact voltage were the result of thirteen (13) sources. True hazardous voltages have been identified and mitigated through the stray voltage testing program.

In accordance with the PSC requirements, when a finding was discovered on an electric facility during stray voltage testing, the Company performed stray voltage testing on all publicly accessible structures and sidewalks within a minimum 30 foot radius of the electric facility or streetlight.

IX. Harmonics Analysis

Central Hudson has continued to apply the use of harmonics analysis to determine if voltages discovered in the field are dangerous contact voltage or naturally occurring/neutral to earth voltage (NEV) common in a normally functioning electric system. After analysis, the voltages can be classified into one of the three following categories (Please note that Central Hudson mitigates all voltages in accordance with the Safety Order). The following table depicts a breakdown of findings by asset class:

Table 1 - Category Classification Criteria

<u>Category One Voltage</u>	<u>Category Two Voltage</u>	<u>Category Three Voltage</u>
<ul style="list-style-type: none"> • Voltage is $\geq 1V_{ac}$ • Sinusoidal waveform • 60 Hz dominant • Total Harmonic Distortion is $< 10\%$ THD 	<ul style="list-style-type: none"> • Voltage is $1V_{ac} - 10V_{ac}$ • Non-sinusoidal waveform • Is 180 Hz dominant • Total Harmonic Distortion is $> 10\%$ THD 	<ul style="list-style-type: none"> • Voltage is $\geq 10V_{ac}$ • Non-sinusoidal waveform • Is 180 Hz dominant • Total Harmonic Distortion is $> 10\%$ THD
<p>These voltages are considered contact voltage, which is hazardous and should not be present in a normally functioning electric system.</p>	<p>These voltages are considered non-hazardous Neutral to Earth Voltages and are considered part of a normally functioning electric system.</p>	<p>These voltages require additional field-testing and review to determine if the source is due to a system abnormality or if it is a result of a normally functioning electric system. Central Hudson attempts to mitigate these voltages at the time of discovery.</p>

Analysis of Findings

Since 2010, the documented accounts of dangerous contact voltage has been consistently less than 0.04% of the assets tested each year on Central Hudson's electric system. The aggregate of the findings over the past five years, shows that contact voltages comprise of 11.73% (143) of the 1,219 findings during this time period.

Contact voltage on Overhead Distribution accounts for 10% of the total contact voltage findings among all assets. Street and Traffic Lights contact voltage account for 1.48% of the total findings and URD (Pads) contact voltage account for 0.24% of the total findings over the past 5 years. There have been no findings of contact voltage in the Underground (Non-URD), Transmission, and Substation Fence groups (see Table 2).

Although there are fluctuations in the total number of category two voltage conditions, these naturally occurring conditions have accounted for 88.10% of the voltage findings from 2010 - 2014. Category two voltages are expected to fluctuate due to weather and load conditions. These voltages can be considered part of a properly functioning multi-grounded wye electric system, and pose no threat to the public. There have been no findings of naturally occurring voltage in the Underground (Non-URD) and Substation Fence groups (see Table 2).

By differentiating between dangerous contact voltage and naturally occurring voltages, field crews can be effectively dispatched to mitigate dangerous voltage conditions ensuring the safety of the public while maintaining reliability of the system in a financially responsible manner.

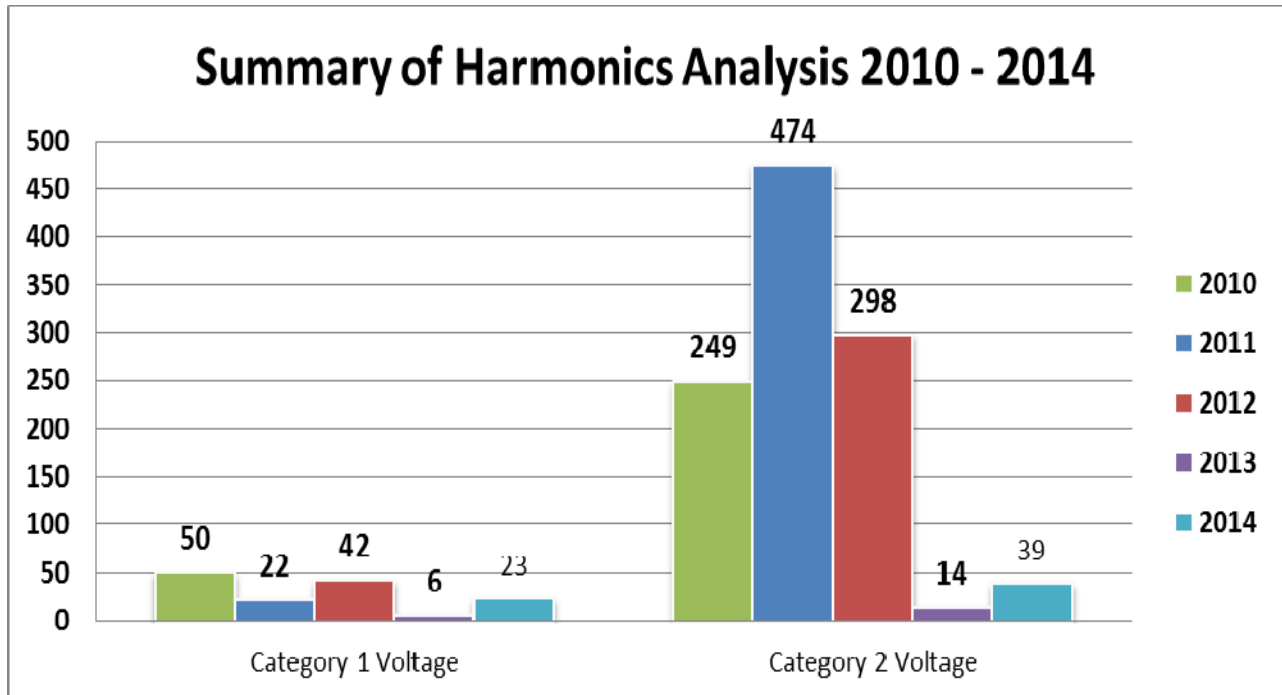
Table 2 - Summary of Findings by Asset Class

Asset Class	2010			2011			2012			2013*			2014*		
	Cat. 1	Cat. 2	Cat. 3	Cat. 1	Cat. 2	Cat. 3	Cat. 1	Cat. 2	Cat. 3	Cat. 1	Cat. 2	Cat. 3	Cat. 1	Cat. 2	Cat. 3
Overhead Distribution	43	240	0	19	463	1	42	296	1	3	14	0	15	38	0
Underground (Non-URD)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
URD (Pads)	1	4	0	0	8	0	0	2	0	0	0	0	2	1	0
Street and Traffic Lights	6	0	0	3	3	0	0	0	0	3	0	0	6	0	0
Transmission Overhead	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0
Substation Fences	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	50	249	0	22	474	1	42	298	1	6	14	0	23	39	0

****Scope of stray voltage testing was reduced***

Table 3 - Summary of All Findings by Asset Class

Asset Class	Total Findings (2010 - 2014)		
	Cat. 1	Cat. 2	Cat. 3
Overhead Distribution	122	1051	2
Underground (Non-URD)	0	0	0
URD (Pads)	3	15	0
Street and Traffic Lights	18	3	0
Transmission Overhead	0	5	0
Substation Fences	0	0	0
Total	143	1,074	2



X. Analysis of Inspection Results

Discussion of Inspection Findings/Repairs

During the inspection process, two or more deficiencies can be reported at a single location during an inspection. Since there is no direct correlation between the numbers of deficiencies reported to the number of locations with deficiencies, this data has been tabulated separately.

The most common level of deficiencies found in Central Hudson's service territory were Level IV conditions, representing 8,086 out of the 13,385 total deficiencies found (60.41%). The three most common deficiencies all involve overhead distribution poles. These deficiencies are No Guy Guard, (5,695; 70.43% of priority level IV deficiencies), Trimming Conditions (2,038; 41.77% of priority level III overhead distribution deficiencies) Broken Ground Molding (1,439 17.79% of priority level IV deficiencies).

Currently, Central Hudson is utilizing tree trimming crews and other contract employees to help reduce the number of Level IV deficiencies. As a tree trimming crew is working in an area, the crew is installing missing guy guards to guy wires on the circuit they are working on. Targeted guy guard replacements are also being issued to contract employees. To reduce the backlog of broken ground moldings and missing pole tags, Central Hudson is utilizing contractor technicians to replace the broken ground molding while performing the stray voltage testing. Central Hudson also utilizes contractor technicians to install pole tags during inspection and testing activities.

Trimming is performed over the entire service territory on a cyclical basis; however, the contractor overhead inspector's will also trim vines that are growing up equipment that is not in contact with primary conductor or equipment at the time of the inspection.

Central Hudson maintains a good response time to Level I deficiencies. There were no Level I deficiencies repaired outside of the allotted time frame in 2014.

Overhead Distribution Structures

Table of Locations with Deficiencies for 2014

Locations Inspected	Locations w/ Deficiencies	% Locations w/ Deficiencies	% Locations w/ Deficiencies Requiring Repair in 1 year
42,698	5,675	13.29%	0.15%

Breakdown of Deficiencies for 2014

Priority Rating	Number of Deficiencies	% of Overhead Distribution Deficiencies Found
I	9	0.07%
II	199	1.56%
III	4,878	38.25%
IV	7,666	60.12%
Total:	12,752	100%

Overhead Transmission Facilities

Table of Locations with Deficiencies for 2014

Locations Inspected	Locations w/ Deficiencies	% Locations w/ Deficiencies	% Locations w/ Deficiencies Requiring Repair in 1 year
1,581	54	3.41%	0%

Breakdown of Deficiencies for 2014

Priority Rating	Number of Deficiencies	% of Overhead Transmission Deficiencies Found
I	0	0.00%
II	0	0.00%
III	8	14.81%
IV	46	85.19%
Total:	54	100%

Manholes and Pullboxes

Table of Locations with Deficiencies for 2014

Locations Inspected	Locations w/ Deficiencies	% Locations w/ Deficiencies	% Locations w/ Deficiencies Requiring Repair in 1 year
243	43	17.70%	0.00%

Breakdown of Deficiencies for 2014

Priority Rating	Number of Deficiencies	% of Manhole and Pullbox Deficiencies Found
I	0	0.00%
II	6	12.10%
III	31	43.96%
IV	29	43.94%
Total:	66	100%

Padmount Transformers

Table of Locations with Deficiencies for 2014

Locations Inspected	Locations w/ Deficiencies	% Locations w/ Deficiencies	% Locations w/ Deficiencies Requiring Repair in 1 year
3,111	503	16.17%	0.60%

Breakdown of Deficiencies for 2014

Priority Rating	Number of Deficiencies	% of Padmount Transformer Deficiencies Found
I	3	0.58%
II	42	8.19%
III	123	23.98%
IV	345	67.25%
Total:	513	100%

Streetlights

Table of Locations with Deficiencies for 2014

Locations Inspected	Locations w/ Deficiencies	% Locations w/ Deficiencies	% Locations w/ Deficiencies Requiring Repair in 1 year
187	0	0.00%	N/A

Breakdown of Deficiencies for 2014

Priority Rating	Number of Deficiencies	% of Streetlight Deficiencies Found
I	0	N/A
II	0	N/A
III	0	N/A
IV	0	N/A

Total: N/A

XI. Inspection Driven Reliability and Efficiency Improvement Programs

Central Hudson has recognized the opportunity to use the inspection program as a means to help improve system reliability. Operations and Engineering have deployed “micro-surveys” to be completed by contracted technicians in line with contact voltage testing and inspection surveys. These micro-surveys were added to the existing inspection survey as a line item, and completed during the regular round of testing and inspections, eliminating the need for a second mobilization. The data that is collected during the survey is then aggregated and used to make a more efficient response plan based on what the goal is for each individual micro-survey. These surveys have included inventories for cutouts, animal guards, and streetlights.

Cutouts

Porcelain cutouts can fail when exposed to the elements for long periods. Porcelain cutouts can develop cracks in the insulator which will hold water. When this crack is filled with water and exposed to freezing, the crack can expand. Over time, the constant freezing and thawing can open the crack further. When water flows through the crack, it can create a path for the electricity track, bypassing the fuse.

Prior to the 2010 inspection year, Central Hudson replaced porcelain cutouts with polymer cutouts located in the first zone of protection and/or protecting circuit segments of 500 customers or more. In 2010, a micro-survey was added to the contact voltage testing and inspection survey to confirm the cutouts were replaced and capture any that may have been missed. The data collected was aggregated and used to formulate a replacement plan in line with current operational plans and scheduled maintenance in order to avoid a second mobilization to the facility to replace the cutout(s).

Streetlights

In 2011, a micro-survey was added to inventory streetlights mounted on wooden poles in the electric distribution system. These streetlights are visually inspected from the ground when contractor technicians perform a voltage test. After the survey was completed, 30,000 pole mounted streetlights were inventoried.

The micro-survey documented the head type, body type, bulb type (when applicable), bulb wattage (when applicable), width (set back style only), and decorative arm (tear drop type only). This information was stored and will be used to update the GIS system available to line crews when repairs are scheduled to ensure that the correct bulb/wattage was on the truck, thus saving a second mobilization.

Animal Guards

Central Hudson has experienced an increasing trend of outages caused by wildlife. In 2012, a survey of animal guards was conducted on our system to inventory what style animal guard is currently installed on transformers. This data was imported into our GIS system to show locations that needed an upgrade to a modern, more effective animal guard. This is used by District Operating Engineers in conjunction with reliability data to help guide when to upgrade and/or replace animal guards.

Poles

During the inspection survey, each pole is “sound tested” by contractor technicians when they perform an inspection. Using a hammer, technicians strike the pole from grade to at least four feet above grade, at least 4 times. While striking the pole with a hammer, technicians listen for audible indications of rot in the poles interior where it cannot be seen. Technicians will record the pole as “unsatisfactory” in the PDA if rot is suspected. A Central Hudson Field Supervisor will perform a site visit to confirm the preliminary assessment before recommending replacement. Central Hudson maintains a spending plan in the capital budget to replace any pole that is found to be rotten during the inspection process.

A new addition in 2014 was the testing of poles at least 4 inches below grade. Because ground rot is a notable failure mechanism of poles, this enabled us to proactively identify more poles for replacement. In the 2013 inspection year, inspectors classified 254 poles as rotten vs. 1,113 poles in 2014.

XII. Quality Assurance

Central Hudson continues to utilize an external auditor to perform its QA/QC program to review the effectiveness and accuracy of the contact voltage testing and facility inspection programs and their associated activities. The external auditor report directly to Central Hudson's Internal Auditing Department and submits audit reports simultaneously to the Internal Auditing Department and the Program Manager for review. If there are any findings, an action plan is assembled to address the concerns identified by the external auditor. These audits have resulted in specific improvements to the various processes, which have contributed toward increasing program efficiency and accuracy as well as reducing potential for future errors. The QA/QC program calls for several types of audits and for constant feedback with respect to the data collection and processing. The various audits cover personnel training, field testing and inspection procedures and practices, testing and inspection records, and field trailing audits.

For 2014, to date two audits of field-testing and inspection activities, one audit of the initial training, and one audit of test data records were completed. In addition, a comprehensive year-end audit for the 2014 records is currently being processed. The completed audits indicate that all significant activities associated with the stray voltage testing and facilities inspection programs were conducted in accordance with established protocols with no major audit findings.

XIII. Other Pertinent Information


Central Hudson continues to participate in the NYS Residential Stray Voltage Committee Activities, and through EPRI membership, continues to ensure that the best operational, construction and maintenance practices are being utilized. Central Hudson also participates with the New York State Utilities and the PSC in discussing issues and opportunities regarding both Contact (Stray) Voltage Testing and Facility Inspections.

In addition, Central Hudson participates in the IEEE P1695 Working Group on Voltages at Publicly and Privately Accessible Locations. This working group is working towards creating a guide that addresses the normal and abnormal voltages that exist at publicly and privately accessible locations as a result of the delivery and use of electrical energy (often referred to as stray voltage). The guide will focus primarily on the presence of power frequency related voltages, and will discuss definitions, causes, impacts, testing techniques, mitigation strategies, and hazard levels.

The IEEE P1695 Working Group is near completion on a guide that will be approved by the working group. January, 2015, The P1695 Working Group has submitted the guide to the IEEE Standards Association to begin the ballot approval process to make the guide into a reference document recognized by IEEE.

Appendix 1: Summary of Stray Voltage Findings – 2014

The table below shows Central Hudson's Stray Voltage Mitigation efforts. Of the 62 locations with findings of 1 Volt or greater, 23 facilities required mitigation to less than 1 Volt and were found to have contact (stray) voltage caused by the deterioration of conductors or broken equipment. The remaining 39 voltage findings were deemed to have been caused by a natural source and therefore did not require mitigation.

	Initial Readings				Readings after Mitigation		
	1V to 4.4V	4.5V to 24.9V	25V and Over	Totals	< 1 V	1V to 4.4V	4.5V and Over
Distribution Facilities	52	1	-	53	52	-	-
Pole	-	-	-	-	-	-	-
Ground	18	1	-	19	18 ¹	-	-
Guy	28	-	-	28	28	-	-
Riser	4	-	-	4	4	-	-
Other	2	-	-	2	2	-	-
Underground Facilities	3	-	-	3	2	-	-
Handhole / Pull box	-	-	-	-	-	-	-
Manhole	-	-	-	-	-	-	-
Padmount Switchgear	-	-	-	-	-	-	-
Padmount Transformer	-	-	-	-	-	-	-
Vault – Cover/Door	-	-	-	-	-	-	-
Pedestal	-	-	-	-	-	-	-
Other	3	-	-	3	2 ²	-	-
Street Lights / Traffic Signals	3	2	1	6	6	-	-
Metal Street Light Pole	-	-	-	-	-	-	-
Traffic Signal Pole	3	2	1	6	6	-	-
Control Box	-	-	-	-	-	-	-
Pedestrian Crossing Pole	-	-	-	-	-	-	-
Other - NOT LISTED	-	-	-	-	-	-	-
Substation Fences	-	-	-	-	-	-	-
Fence	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Transmission (69kV and Above)	-	-	-	-	-	-	-
Lattice Tower	-	-	-	-	-	-	-
Pole	-	-	-	-	-	-	-
Ground	-	-	-	-	-	-	-
Guy	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Miscellaneous Facilities	-	-	-	-	-	-	-
Sidewalk	-	-	-	-	-	-	-
Gate/Fence/Awning	-	-	-	-	-	-	-
Control Box	-	-	-	-	-	-	-
Scaffolding	-	-	-	-	-	-	-
Bus Shelter	-	-	-	-	-	-	-
Fire Hydrant	-	-	-	-	-	-	-
Phone Booth	-	-	-	-	-	-	-
Water Pipe	-	-	-	-	-	-	-
Riser	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-


Note - Findings will include naturally and non-naturally occurring voltages. Naturally occurring voltages can include, but are not limited to, induction, capacitively coupling, and neutral to earth voltage. All of which are part of a normally functioning multi-grounded Wye electric distribution system. Central Hudson only mitigates situations with non-naturally occurring voltages in compliance with PSC Order 04-M-0159.

Note - After further investigation, 16 sites that were reported in quarter 3 were deemed invalid, reducing the totals from what was reported last quarter.

¹ At the time this report was written, Central Hudson was working with Communication companies in the area of one site still reading 1.06V.

² Central Hudson was also working with a customer to address a neutral issue on the URD cable. Work is currently being delayed due to the weather and ground conditions. The site is currently closed to the public.

Appendix 2: Summary of Shock Reports from the Public – 2014

	Quarterly Update	Yearly Total
I. Total Shock Calls Received:	2	19
Unsubstantiated	0	2
Normally Energized Equipment	1	6
Stray Voltage:		
Person	1	11
Animal	0	0
II. Injuries Sustained/Medical Attention Received	1	1
Person	1	1
Animal	0	
III. Voltage Source:	2	19
Utility Responsibility		
Overhead Distribution System	1	7
Underground Distribution System	0	0
Transmission Distribution System	0	0
Other Utility / Gov't Agency Responsibility		
Streetlight	0	0
Other (Total)	0	1
Customer Responsibility(Total)	1	11
IV. Voltage Range:	2	19
Unrecorded/Below 1V	1	16
1.0V to 4.4V	0	0
4.5V to 24.9V	1	1
25V and above	0	2

Appendix 3: Summary of Deficiencies by Facility

Summary of Deficiencies and Repair Activity Resulting from the Inspection Process															
Streetlights	2010			2011			2012			2013			2014		
Priority Level	I	II	III	I	II	III	I	II	III	I	II	III	I	II	III
Repair Expected	Within 1 week	Within 1 year	Within 3 years	Within 1 week	Within 1 year	Within 3 years	Within 1 week	Within 1 year	Within 3 years	Within 1 week	Within 1 year	Within 3 years	Within 1 week	Within 1 year	Within 3 years
Overhead Facilities															
Repaired in Time Frame	39	125	3,496	31	118	1,964	17	98	1,426	7	65	1,732	9	91	2,468
Repaired - Overdue	-	27	12	-	26	7	-	4	-	-	3	-	-	-	-
Not Repaired - Not Due	-	-	-	-	-	-	-	-	23	-	-	251	-	108	2,410
Not Repaired - Overdue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Overhead Facilities	39	152	3,508	31	144	1,971	17	102	1,449	7	68	1,983	9	199	4,878
Underground Facilities															
Repaired in Time Frame	1	-	17	-	1	12	1	2	25	1	5	2	-	-	4
Repaired - Overdue	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Not Repaired - Not Due	-	-	-	-	-	-	-	-	-	-	-	9	-	6	27
Not Repaired - Overdue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Overhead Facilities	1	1	18	-	1	12	1	2	25	1	5	11	-	6	31
Pad Mount Facilities															
Repaired in Time Frame	52	36	205	31	-	30	14	2	64	2	1	58	3	36	55
Repaired - Overdue	-	2	3	1	-	-	-	-	-	-	-	-	-	-	-
Not Repaired - Not Due	-	-	-	-	-	-	-	-	-	-	-	2	-	6	68
Not Repaired - Overdue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Overhead Facilities	52	38	208	32	-	30	14	2	64	2	1	60	3	42	123
Streetlight Facilities															
Repaired in Time Frame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repaired - Overdue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Not Repaired - Not Due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Not Repaired - Overdue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Streetlight Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Facilities															
Repaired in Time Frame	-	2	20	-	-	54	-	1	24	-	-	10	-	-	4
Repaired - Overdue	-	1	13	-	-	23	-	1	-	-	-	-	-	-	-
Not Repaired - Not Due	-	-	-	-	-	-	-	-	1	-	-	18	-	-	4
Not Repaired - Overdue	-	-	1	-	-	40	-	-	-	-	-	-	-	-	-
Total Transmission Facilities	-	3	34	-	-	117	-	2	25	-	-	28	-	-	8

Appendix 3A: Summary of Deficiencies and Repair Activity Resulting from the Inspection Process

Summary of Deficiencies and Repair Activity Resulting from the Inspection Process							
Year	Priority Level / Repair Expected		Deficiencies Found (Total)	Repaired In Time Frame	Repaired - Overdue	Not Repaired -Not Due	Not Repaired - Overdue
2010	I	Within 1 week	92	92	0	0	0
	II	Within 1 year	194	163	31	0	0
	III	Within 3 years	3,768	3,738	29	0	1 ³
	IV	N/A	17,558	16,897	N/A	661	N/A
2011	I	Within 1 week	63	62	1	0	0
	II	Within 1 year	145	119	26	0	0
	III	Within 3 years	2,130	2,060	30	0	40 ⁴
	IV	N/A	15,845	15,485	N/A	360	N/A
2012	I	Within 1 week	32	32	0	0	0
	II	Within 1 year	108	103	5	0	0
	III	Within 3 years	1,563	1,539	0	24	0
	IV	N/A	7,484	7,208	N/A	276	N/A
2013	I	Within 1 week	10	10	0	0	0
	II	Within 1 year	74	71	3	0	0
	III	Within 3 years	2,082	1,802	0	280	0
	IV	N/A	6,112	5,703	N/A	409	N/A
2014	I	Within 1 week	12	12	0	0	0
	II	Within 1 year	247	127	0	120	0
	III	Within 3 years	5,040	2,531	0	2,509	0
	IV	N/A	8,086	2,296	N/A	5,790	N/A

³ Scheduled to be completed in conjunction with Article VII rebuild of the A line.

⁴ Six findings scheduled to be completed in 2015 in conjunction with NERC SAG associated work (T-7 Line). Thirty four findings are scheduled to be completed in 2016 with the WH-1/WH-2 line rebuild (part 102c filing).

Appendix 4: Temporary Repair Exceptions

The process of tracking temporary repairs throughout all divisions in Central Hudson is a complex one requiring interfacing of multiple systems and coordination of several organizations. Currently, Central Hudson has developed an automated system to track temporary repairs and produce reports for line crews and supervisors to better manage the process. The system has automated most of the work associated with tracking temporary repairs, but manual intervention is still required. Central Hudson continues to utilize contact voltage technicians to update the inventory annually.

Overall, Central Hudson has completed permanent repairs on 23 out of 36 locations (63.88%). Of the repairs completed, 21 were completed within the 90 day time frame stated in the Order (91.30%) and the remaining two were completed no more than 3 days overdue. The remaining open orders (13) are being assessed or scheduled for work. Currently, 10 of the open temporary repairs are over the 90 day time frame.

Many factors contributed to temporary repairs being completed outside of the 90 day window. In addition, the process of getting a work order created, estimate generated, and obtaining highway permits can cause the permanent repair to be completed outside of the 90 day time frame. Similar to deficiencies identified during inspections, qualified personnel are prioritizing temporary repairs based on circuit reliability and public safety

Once a temporary condition is identified, the Company re-evaluates the location and determines if additional safeguards are required to protect the interest of the public, and does so immediately. Other conditions outside of Central Hudson's control have also caused delays such as; weather, field conditions, equipment rentals, and available load capacity due to switching requirements.

4. I hereby certify that, to the best of my knowledge, information and belief, the Company has implemented and completed its Stray Voltage Testing program for the Twelve Month Period. Except for untested structures that are identified as temporarily inaccessible in the Company's Annual Report, submitted herewith, the Company is unaware of any Facilities or Streetlights that were not tested during the Twelve-Month Period.

5. I make this certification subject to the condition and acknowledgment that it is reasonably possible that, notwithstanding the Company's good faith implementation and completion of the Stray Voltage Testing Program, there may be Facilities and Streetlights that, inadvertently, may not have been tested or were not discovered or known after reasonable review of Company records and reasonable visual inspection of the areas of the service territory where Facilities and Streetlights were known to exist or reasonably expected to be found.

Paul S. Haering

Sworn to before me this 13th day of February, 2015

Notary Public: Donna M. Giametta

DONNA M. GIAMETTA
Notary Public, State of New York
No. 01GI5067398
Qualified in Ulster County
Commission Expires Oct. 15, 2018

CERTIFICATION
[FACILITY INSPECTIONS]

STATE OF NEW YORK)
) ss.:
COUNTY OF DUTCHESS)

Paul E. Haering, on this 13th day of February 2014, certifies as follows:

1. I am the Vice President, Engineering & System Operations of Central Hudson Gas and Electric (the "Company"), and in that capacity I make this Certification for the annual period ending December 31st, 2014 based on my knowledge of the inspection program adopted by the Company in accordance with the Public Service Commission's Orders issued and effective January 5, July 21, 2005, December 15, 2008, March 22, 2013, and January 13, 2015 in Case 04-M-0159 (collectively the "Orders"), including the Quality Assurance Program filed by the Company with the Commission.
2. The Company has an inspection program that is designed to inspect all of its electric facilities on a five-year inspection cycle, as identified through a good faith effort by the Company ("Facilities"), in accordance with the requirements of the Orders (the "Facility Inspection Program").
3. I am responsible for overseeing the Company's Facility Inspection Program and in that capacity I have monitored the program during the twelve months ended December 31st, 2014 (the "Twelve-Month Period").

4. I hereby certify that, to the best of my knowledge,
information and belief, the Company has implemented and
completed its Facility Inspection Program to inspect
approximately 20 % of its Facilities during calendar year
2014, in order to comply with the five-year inspection cycle
required under the Orders.

Paul E. Hasey

Sworn to before me this 13th day of February, 2015

Notary Public: Donna M. Giametta

DONNA M. GIAMETTA
Notary Public, State of New York
No. 01GI5067398
Qualified in Ulster County
Commission Expires Oct. 15, 2018