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Central Hudson
07-E-0383
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The Cable Telecommunications Association of New York, Inc.

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ELISE L. HILLER
general counsel

BY HAND AND BY EMAIL

Ms. Jaclyn Brilling, Secretary
State of New York Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case No. 07-E-0383: Ordinary Tariff Filing Of Central Hudson Gas & Electric Corporation To Establish New Pole Attachment Rates Case 01-E-0026 et al. To Reflect 2006 Actual Data P.S.C. No. 15-Electricity, Effective July 1, 2007.

Dear Ms. Brilling:

The Cable Telecommunications Association of New York, Inc. hereby submits an original and twenty-five (25) copies of the Comments of the Cable Telecommunications Association of New York, Inc. regarding the Tariff filing by Central Hudson Gas and Electric Corporation to Revise the Annual Rental Charges for Pole Attachments.

Should you have any questions regarding the Response, please contact the undersigned.

Respectfully submitted,

Elise Hiller

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Before The
STATE OF NEW YORK
COMMISSION OF PUBLIC SERVICE
Albany, New York 12223-1350

Ordinary Tariff Filing of Central Hudson Gas & Electric Corporation To Establish New Pole Attachment Rates Case 01-E-0026 et al. To Reflect 2006 Actual Data, P.S.C. No. 15 – Electricity, Effective July 1, 2007.	Case No. 07-E-0383

COMMENTS OF THE CABLE TELECOMMUNICATIONS ASSOCIATION OF NEW YORK, INC.

The Cable Telecommunications Association of New York, Inc. ("CTANY") opposes the March 29, 2007 tariff filing by Central Hudson Gas and Electric Corporation's ("Central Hudson") to revise pole attachment rental charges for cable television and telecommunications attachments. On March 29, 2007, Central Hudson filed a proposed amendment to its Tariff P.S.C. No. 15 that would dramatically increase its annual pole attachment rate from the current level of $10.98 to $12.47 per equivalent pole. As explained herein, Central Hudson fails to comply in material respects with applicable Federal Communications Commission's ("FCC") and New York requirements for calculating pole attachment rents resulting in higher than warranted return on its monopoly pole plant investment.

There are two fundamental problems with Central Hudson's proposed new rate. First, Central Hudson's use of non-verifiable internal company depreciation data combined with an unknown methodology for calculating pole plant depreciation results in a higher pole rate than the rate produced using the company's publicly reported FERC Form 1 data, and therefore fails to constitute just and reasonable rates under New York law. Second, Central Hudson's tariff language states that the full rental rate applies to both solely-owned and jointly-owned poles.

In light of these deficiencies, the PSC should reduce the tariff rate in accordance with the FCC rate formula or, in the alternative, suspend the proposed tariff rate to allow CTANY, Department Staff and Central Hudson to discuss a mutually acceptable rate proposal.

CENTRAL HUDSON'S PROPOSED TARIFF IS CALCULATED INCORRECTLY BY USING AN UNKNOWN METHODOLOGY FOR CALCULATING POLE PLANT DEPRECIATION INCORPORATING NON-PUBLIC, NON-VERIFIABLE INTERNAL DATA

The rate proposed by Central Hudson is based on the application of an unknown methodology to derive pole plant depreciation, which conflicts with the formula for calculating depreciation under the FCC formula. Central Hudson's use of an unknown methodology for calculating pole plant depreciation also conflicts with this Commission's adoption of a rate setting methodology that relies upon previously reported data. Under New York law, the Commission is charged with prescribing just and reasonable rates for pole attachments.[1] In fulfilling this charge, the Commission determined that, absent extraordinary circumstances, it will adhere to the methods and practices for determining pole attachment rates developed by the Federal Communications Commission ("FCC").[2] To that end, the Commission adopted the FCC's formula for pole attachment rates, which relies upon historical cost data "derived from ARMIS, FERC1, or other reports field with state or federal regulatory agencies"[3] – *i.e.*, the "FCC Formula." In adopting the FCC Formula, the Commission expressed its desire "to simplify the regulation of pole attachment rates and operations in New York, intending thereby to encourage telecommunications competition and to stimulate economic development."[4]

As the Commission has recognized, the FCC Formula is a straight-forward, self-executing and economic approach for determining just and reasonable pole attachment rates

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1 N.Y. C.L.S. Pub. Ser. § 119-a states, in relevant part, that: "[t]he [C]ommission shall prescribe just and reasonable rates, terms and conditions for attachment to utility poles and the use of utility ducts, trenches and conduits. A just and reasonable rate shall assure the utility of the recovery of not less than the additional cost of providing a pole attachment or of using a trench, duct or conduit nor more than the actual operating expenses and return on capital of the utility attributed to that portion of the pole, duct, trench or conduit used."

2 *In the Matter of Certain Pole Attachment Issues Which Arose in Case No. 94-C-0095*, 1997 N.Y. PUC LEXIS 364, *10 (June 17, 1997) *recon. denied*, 1997 N.Y. PUC LEXIS 639 (Oct. 7, 1997) ("While we retain full jurisdiction over pole attachment matters, our new approach to pole attachments will adhere to the FCC's methods and practices unless we find a compelling reason to depart from them.").

3 47 C.F.R. § 1.1404(g)(2).

4 Opinion 97-10 at ** 9-10. Fostering the deployment of broadband Internet and other new services, is also an important state goal. *See, e.g.*, A09663, 2001 Assem, Reg. Sess. (N.Y. 2001) (describing the intent of the "Broadband Deployment Act," explaining that "[e]ncouraging a rational build-out of a state-of-the-art telecommunications infrastructure will ensure that every person has access to broadband information networks, improve opportunities for economic development and the delivery of essential services including education and health care, encourage the introduction of new services, the entry of new providers, and the development of new technologies.").

using existing accounting measures to determine costs, based on an historical (or embedded) cost methodology and publicly available data.[5] Reliance on publicly available data -- ARMIS reports for ILECs and the FERC Form 1 for electric utilities -- has allowed utility pole owners and attaching parties to resolve hundreds of rate issues without FCC or state public utility commission involvement. Moreover, consistent application of the FCC Formula in hundreds of cases over the past 25 years has created an invaluable resource of precedent, addressing the many nuances of the formula.[6] This precedent allows utilities, cable and telecommunications operators, as well as state commissions, to rely on that authority thereby avoiding unnecessary litigation and wasted resources.

In addition, in states that rigorously require pole owners to use publicly filed data, more disputes are resolved between owners and attachers without the involvement of regulators. This regulatory efficiency reduces costs to both regulators and market participants.

Central Hudson's proposed rates are based on a calculation of net plant that relies on a depreciation estimate at odds with FERC Form 1. Rather than require each utility to develop a depreciation study for plant attributed to pole attachments, federal law allows pole attachment depreciation charges (and the concomitant calculation of net plant) to be based on a straightforward formula. The percentage of total plant depreciation attributed to pole plant should be equivalent to the percentage of total plant investment that is represented by pole attachment investment.[7]

Because electric utilities do not directly account for accumulated depreciation for poles in FERC, this figure is derived from applying a ratio of pole plant investment over total plant investment to total plant depreciation. As the FCC explained, to determine the appropriate amount of accumulated depreciation associated with pole plant, "[w]e divide gross pole investment [FERC Account 364] by the gross plant investment and multiply that figure by the

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[5] "Permitting the use of non-public data would [have] contraven[ed] the [Congressional] mandate [to] provid[e] a simple and expeditious process rather than a full-blown rate case." S. Rep. No. 95-580, 98th Cong., 1st Sess. (1977).

[6] See *Alabama Cable Telecomm. Ass'n v. Alabama Power Co.*, 15 FCC Rcd 17346, at para. 5 (2000) (citing legislative history of the pole act mandating that the Commission institute a "simple and expeditious" formula. The FCC relies on publicly available cost and expense data in the cable formula to provide "a stable and certain regulatory framework that may be applied simply and expeditiously requiring a 'minimum of staff, paperwork and procedures consistent with fair and efficient regulation.' *Id.* Also, "Congress did not believe that special accounting measure or studies would be necessary because most cost and expense items attributable to utility pole, duct and conduit plant were already establish and reported to various regulatory bodies, in this case, to the [FERC]." *Id.*

[7] *In the Matter of Amendment of Rules and Policies Governing Pole Attachments*, 15 FCC Rcd 6453 at Para.42 (rel. Apr. 4, 2004) (hereinafter *Fee Order*).

plant accumulated depreciation to determine what portion of the plant accumulated depreciation is reasonably related to gross pole investment."[8] The FCC's approach makes sense because, absent extraordinary circumstances, the level of depreciation for poles should be roughly equivalent to the level of depreciation for a utility's overall electric plant. Thus, based on Central Hudson's 2006 FERC Form 1 data, the appropriate amount of accumulated depreciation should be $44,854,205[9]

Central Hudson's proposed pole plant depreciation amount is dramatically low than the amount derived by applying the FCC sanctioned investment ratio to total plant depreciation. The result is that Central Hudson's net plant is overstated. Rather than use accumulated depreciation figures derived from Account 364 on FERC Form 1, Central Hudson used an amount of only $19,710,304 for accumulated depreciation associated with poles.[10] The source of this figure is not publicly available FERC Form 1 data, but rather, Central Hudson's "PP [Powerplant] Report 1085 Combined," which, to CTANY's knowledge, is an internal company report. Central Hudson's approach is improper because it (1) departs from the method for computing accumulated depreciation under the FCC Formula described above and (2) is based on an internal, non-public and non-verifiable data source, rather than FERC Form 1 data.

In Appendix A, CTANY has applied the FCC Formula using Central Hudson's year-end 2006 FERC Form 1 data, and has performed a side-by-side comparison of the FCC Formula and Central Hudson's methodology. Not only did Central Hudson use an unexplained methodology to calculate the depreciation that it would recover in pole attachment rates, it also relied on internal company data for investment. In its calculation, Central Hudson removed $9,500,344 "related to temporary closings" from its gross pole investment (Account 364) based on information found in its internal Powerplant Report. Although this adjustment could actually lower the pole attachment rate, CTANY has not attempted to "cherry pick" Central Hudson's rate methodology. Instead, CTANY has faithfully applied the FCC Formula to Central Hudson's publicly reported FERC Form 1 financial data.

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[8] *RCN Telecom Services of Philadelphia, Inc. v. PECO Energy Co.*, 17 FCC Rcd. 25238 at ¶ 8 (2002).

[9] *See* Appendix A. This figure is computed as follows:
= (Account 364 / Gross Inv. In Electric Plant) * Accumulated Depr. For Electric Plant
= ($119,158,663 / $688,265,182) * $259,252,958
= $44,854,205

[10] *See* p. 2 of CHGE's pole attachment rate calculation.

As shown in Appendix A, following the FCC Formula and relying on public data yields an annual rate of $12.34 for solely-owned poles, $6.66 for poles jointly owned with Verizon New York (54% x $12.34) and $6.17 for other jointly owned poles (50% x $12.34).

Regardless of whether the depreciation expense in Central Hudson's proposed rates is more accurate than the federal formula, it should at least be required to explain the methodology underlying its calculation of pole attachment depreciation. Central Hudson's unsupported deviation from the federal formula for depreciation expense places it at odds with Commission rules requiring utilities to provide clear and competent evidence in support of proposed rates and Commission practice. The absence of such an explanation introduces concerns that, unlike CTANY, Central Hudson is cherrypicking. As the Commission has explained in using the Blue Chip Economic Indicators GDP Chain- Weighted price index forecast for estimating inflation in companywide rate cases, one can always find exceptions to an average, but such tweaking can cut both ways and does not warrant selective modification.

The lack of transparency in Central Hudson's selective use of "data" to calculate net plant and depreciation also undermines any sense of confidence in its bottom line. For example, inasmuch as Attachment J to the Commission's last rate order[11]("Attachment B" herein) does not break out depreciation on poles and other plant allocable to pole attachment rates, Central Hudson's failure to articulate the methodology for its depreciation study in this filing raises a question whether the utility is doubly recovering for depreciation on this particular plant.[12] It is precisely for this reason that Commission rules require utilities to provide clear and competent evidence in support of rate filings. Central Hudson has not done so.

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[11] CASE 05-E-0934 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Electric Service; CASE 05-G-0935 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Gas Service. Order Establishing Rate Plan (Issued and Effective July 24, 2006)

[12] We are assuming that the allocation of excess depreciation reserve should be reflected in depreciation for electric plant as reported in FERC form 1 which forms basis for the derived pole depreciation number. Even if not, and if we were to subtract the nearly $11.6 million dollars as noted in Appendix J from the nearly $45 million dollars that CTANY calculates, we would be left with approximately $35 million dollars in depreciation which would actually **reduce** Central Hudson's pole attachment rate to $10.49. *See also Case 07-E-0220 Filing by Central Hudson Gas & Electric Corporation to modify its street lighting pole rental charges applicable to service Classification No. 8- Public Street and Highway Lighting* Issued and effective May 16, 2007.

CONCLUSION

Applying the FCC Formula helps assure that facilities-based competition proceeds on fair terms; provides Central Hudson with a fair and reasonable return on its investment; harmonizes state and federal regulatory frameworks governing pole attachments, in the spirit of cooperative federalism; and offers simple and easily applied ratemaking practice. Accordingly, for the reasons set forth herein, CTANY respectfully requests an order from the Commission setting Central Hudson's rental charge for cable television and telecommunications attachments at no more than $12.34 for solely-owned poles, $6.66 for poles that Central Hudson jointly owns with Verizon New York and $6.17 for poles that Central Hudson jointly owns with other utilities. In the alternative, CTANY respectfully requests that the Commission suspend the tariff filing in order to allow Central Hudson an opportunity to explain to the Commission and to CTANY the methodology it used to derive its internal depreciation figures.

Dated: June 6, 2007

Respectfully Submitted,

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ATTACHMENT A
SIDE BY SIDE COMPARISON
CTANY AND CENTRAL HUDSON POLE ATTACHMENT RATE CALCULATION

CALCULATION OF MAXIMUM POLE ATTACHMENT RATES
Central Hudson Gas & Electric Corp.
Using 2006 FERC Form 1 Data

	NY PSC & FCC Methodology	Central Hudson Methodology	Difference
Net Investment Per Bare Pole			
Investment in Pole Plant	$119,158,663	$119,158,663	$0
- Less amount "related to temporary closings"	$0	$9,500,344	$9,500,344
- Depreciation Reserve for Poles	$44,884,205	$19,710,304	-$25,173,901
- Accumulated Deferred Taxes	$12,396,844	$13,506,635	$1,109,791
Net Investment in Pole Plant	$61,877,613	$76,441,380	$14,563,767
- Net Investment in Appurtenances	$9,281,642	$11,466,207	$2,184,565
Net Investment in Bare Pole Plant	$52,595,971	$64,975,173	$12,379,202
/ Number of Poles--Equivalent	138,356	138,356	-
Net Investment per Bare Pole	$380.15	$469.62	$89.47
Carrying Charges			
Maintenance			
Maintenance Expenses	$12,823,304	$12,823,304	$0
Net Investment in 364,365,369	$146,245,112	$175,840,587	$29,595,475
=Maintenance Carrying Charge	8.77%	7.29%	-1.48%
Depreciation			
Annual Depreciation Rate for Poles	2.27%	2.27%	$0
Gross Investment in Pole Plant	$119,158,663	$119,158,663	$0
/Net Investment in Pole Plant	$61,877,613	$76,441,380	$14,563,767
Gross/Net Adjustment	192.57%	155.88%	$0
Deprec Rate Applied to Net Pole Plant	4.37%	3.54%	-0.83%
Administrative			
Administrative Expenses	$36,602,267	$36,602,267	$0
Total Plant--Electric	$688,265,182	$807,708,015	$119,442,833
-Depreciation Reserve--Electric	$259,252,958	$259,252,958	$0
-Accumulated Deferred Taxes--Electric	$71,604,665	$55,404,700	-$16,199,965
Net Plant in Service	$357,407,559	$493,050,357	$135,642,798
Administrative Carrying Charge	10.24%	7.42%	-2.82%
Taxes			
Normalized Tax Expense	$54,330,669	$54,330,669	$0
Total Plant	$1,031,303,897	$1,171,592,714	$140,288,817
-Depreciation Reserve	$387,913,580	$389,142,196	$1,228,616
-Accumulated Deferred Taxes	**$122,301,800**	**$65,091,700**	**-$57,210,100**
Net Plant in Service	$521,088,517	$717,358,818	$196,270,301
Tax Carrying Charge	10.43%	7.57%	-2.85%
Return			
Return	10.01%	10.01%	0.00%
Total Carrying Charges	43.82%	35.84%	-7.98%
Space Factor			
Space Used	1.0	1.0	-
Usable Space	13.5	13.5	-
Space Allocated	7.41%	7.41%	0.00%
Maximum Rate			
For Solely-Owned Poles	**$12.34**	**$12.47**	**$0.13**
For Poles Jointly Owned with Verizon NY (54% ownership)	**$6.66**	**$12.47**	**$5.80**
For Poles Jointly Owned with Others (50% ownership)	**$6.17**	**$12.47**	**$6.30**

DATA ENTRY AND SOURCE			Source
Accumulated Deferred Taxes 190 (Plant)	$79,223,100		pg. 234, c 18
Accumulated Deferred Taxes 281 (Plant)	$0		pg. 273, k 17
Accumulated Deferred Taxes 282 (Plant)	$124,267,999		pg. 275, k 9
Accumulated Deferred Taxes 283 (Plant)	$77,256,901		pg. 277, k 19
Accumulated Deferred Taxes-Total (Plant)	$122,301,800		(sum)
Accumulated Deferred Taxes 190 (Electric)	$55,404,700		pg. 234, c 8
Accumulated Deferred Taxes 281 (Electric)	$0		pg. 273, k 8
Accumulated Deferred Taxes 282 (Electric)	$87,139,700		pg. 275, k 2
Accumulated Deferred Taxes 283 (Electric)	$39,869,665		pg. 277, k 9
Accumulated Deferred Taxes-Total (Electric)	$71,604,665		(sum)
Taxes 408.1	$33,134,769	$33,134,769	pg. 114, c 14
Taxes 409.1 Federal	$1,294,200	$1,294,200	pg. 114, c 15
Taxes 409.1 Other	-$87,000	-$87,000	pg. 114, c 16
Taxes 410.1	$31,108,600	$31,108,600	pg. 114, c 17
Taxes 411.1 Cr.	$11,119,900	$11,119,900	pg. 114, c 18
Taxes 411.4	$0	$0	pg. 114, c 19
Total Normalized Taxes	$54,330,669	$54,330,669	(sum)
Gross Investment in Total Plant	$1,031,303,897		pg. 200, b 3
Gross Investment in Total Plant--Electric	$688,265,182		pg. 200, c 3
Accumulated Prov for Deprec.--Total	$387,913,580	$387,913,580	pg. 200, b 18
Accumulated Prov for Deprec --Electric	$259,252,958	$259,252,958	pg. 200, c 18
Gross Investment in 364	$119,158,663	$119,158,663	pg. 207, g 64
Gross Investment in 365	$121,214,908	$121,214,908	pg. 207, g 65
Gross Investment in 369	$41,252,869	$41,252,869	pg. 207, g 69
Sum	$281,626,440	$281,626,440	sum
Pole Maintenance Expense 593	$12,823,304	$12,823,304	pg. 322, b 149
Administrative Expense 920-931	$35,584,810	$35,584,810	pg 323, b 194
Administrative Expense 935	$1,017,457	$1,017,457	pg 323, b 196
Total Administrative Expenses	$36,602,267	$36,602,267	sum
Depreciation Reserve for 364 (prorated)	$44,884,205		prorated
Depreciation Reserve for 365 (prorated)	$45,658,744		prorated
Depreciation Reserve for 369 (prorated)	$15,538,965		prorated
Total Depreciation Reserve	$106,081,914		sum
Accumulated Deferred Taxes (Prorated to 364)	$12,396,844		prorated
Accumulated Deferred Taxes (Prorated to 365)	$12,610,769		prorated
Accumulated Deferred Taxes (Prorated to 369)	$4,291,802		prorated
Total Accumulated Deferred Taxes (prorated)	$29,299,415		sum
Depreciation Rate for Poles	2.27%	2.27%	pg 337, e46
Overall Rate of Return	10.01%	10.01%	
Number of Poles--Equivalent	138,356	138,356	2006 pole count

ATTACHMENT B

SCHEDULE J FROM CASE 05-E-0934 AND CASE 05-G-0935

Appendix J Sheet 1 of 2

Central Hudson Gas & Electric Corporation
Cases 05-E-0934 & 05-G-0935
DEPRECIATION RATES

PSC ACCT NO	PLANT ACCOUNT	Average Service Life	Net Salvage	Annual Deprec Rate	Survivor Curve	Allocation of Excess Reserve
	ELECTRIC PLANT IN SERVICE					
	HYDRO PLANT					
331.00	STRUCTURES AND IMPROVEMENT	60	(50)	2.50	R3	(59,000)
332.00	RESERVOIRS, DAMS AND WATERWAYS	75	(60)	2.13	L5	(230,700)
333.00	TURBINES AND GENERATORS	60	(60)	2.67	R4	(290,000)
334.10	ACCESSORY ELECTRIC EQUIPMENT	55	(60)	2.91	R1.5	40,400
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT	40	(40)	3.50	S2.5	(50,900)
	OTHER PRODUCTION PLANT					
341.00	STRUCTURES AND IMPROVEMENTS	27	(5)	3.89	R5	(62,300)
342.00	FUEL HOLDERS, PRODUCERS & ACCESSORIES	27	(5)	3.89	R5	(102,700)
343.00	PRIME MOVERS	27	(5)	3.89	R5	(361,500)
344.00	GENERATORS	27	(5)	3.89	R5	(198,200)
345.00	ACCESSORY ELECTRIC EQUIPMENT	27	(5)	3.89	R5	92,200
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT	27	(5)	3.89	R5	(1,100)
	TRANSMISSION PLANT					
350.11	LAND AND LAND RIGHTS-LINES	85	10	1.06	R4	(68,000)
352.00	STRUCTURES AND IMPROVEMENTS	65	(40)	2.15	R3	145,000
353.11-20	STATION EQUIPMENT-IN USE	55	(20)	2.18	R1	(7,919,600)
353.12	SUPERVISORY EQUIPMENT-IN USE	28	(10)	3.93	S1	(775,300)
354.00	TOWERS AND FIXTURES	65	(30)	2.00	R3	(490,400)
355.00	POLES AND FIXTURES	55	(50)	2.73	R3	1,049,200
355.15	POLES AND FIXTURES-345KV LINE	55	(50)	2.73	R3	353,500
356.10	OVERHEAD CONDUCTORS AND DEVICES	60	(25)	2.08	R2	(526,100)
356.15	OVERHEAD CONDUCTORS AND DEVICES-345KV LINE	60	(35)	2.25	R2	(81,300)
356.20	CLEARING	60	(35)	2.25	R2	(33,100)
356.25	CLEARING-345KV LINE	60	(35)	2.25	R2	(9,500)
357.00	UNDERGROUND CONDUIT	40	(5)	2.63	L0.5	(7,400)
358.00	UNDERGROUND CONDUCTORS AND DEVICES	40	(20)	3.00	R3	(1,094,500)
	DISTRIBUTION PLANT					
360.11	LAND AND LAND RIGHTS-OVERHEAD LINES	60	10	1.50	S4	(39,900)
360.22	LAND AND LAND RIGHTS-UNDERGROUND	60	10	1.50	S4	(200)
361.00	STRUCTURES AND IMPROVEMENTS	80	(25)	1.56	R3	(108,400)
362.11-20	STATION EQUIPMENT-IN USE	52	(20)	2.31	R1.5	397,000
362.12	SUPERVISORY EQUIPMENT-IN USE	30	(10)	3.67	R2	(437,400)
364.00	POLES, TOWERS AND FIXTURES	55	(25)	2.27	O1	(11,591,300)
365.00	OVERHEAD CONDUCTORS AND DEVICES	60	(30)	2.17	R1	(9,817,300)
366.00	UNDERGROUND CONDUIT	65	(25)	1.92	R3	(10,600)
367.00	UNDERGROUND CONDUCTOR AND DEVICES	55	(10)	2.00	R2.5	(2,330,500)
368.00	TRANSFORMERS	43	(10)	2.56	L1	(6,657,700)
369.10	SERVICES OVERHEAD	52	(75)	3.37	R1.5	(5,497,100)
369.20	SERVICES UNDERGROUND	52	(25)	2.40	R1.5	(517,600)
370.00	METERS	32	0	3.13	R1.5	(589,000)
371.00	INSTALLATIONS ON CUSTOMER PREMISES	20	(15)	5.75	R0.5	(878,500)
372.00	LEASED PROPERTY ON CUSTOMER PREMISES	11	0	9.09	L2	(456,000)
373.00	STREET LIGHTING	30	(25)	4.17	L0	(3,136,000)
390.00	STRUCTURES AND IMPROVEMENTS	40	(30)	3.25	R1.5	(148,200)
						(52,500,000)

Appendix J Sheet 2 of 2
Central Hudson Gas & Electric Corporation
Cases 05-E-0934 & 05-G-0935
DEPRECIATION RATES

PSC ACCT NO	PLANT ACCOUNT	Average Service Life	Net Salvage	Annual Deprec Rate	Survivor Curve	Allocation of Excess Reserve
	GAS PLANT IN SERVICE					
	MANUFACTURING GAS PLANT - PROPANE					
305.00	STRUCTURES AND IMPROVEMENTS	75	(10)	1.47	Undetermined	
311.00	LIQUIFIED PETROLEUM GAS EQUIPMENT	60	(45)	2.42	Undetermined	
320.10	OTHER EQUIPMENT	25	0	4.00	S3	
	TRANSMISSION PLANT					
365.11	LAND	0	0	-		
365.20	LAND RIGHTS	70	0	1.43	S4	
365.50	LAND RIGHTS-IROQUOIS	70	0	1.43	S4	
366.20	STRUCTURES AND IMPROVEMENTS	45	(40)	3.11	R3	
366.50	STRUCTURES AND IMPROVEMENTS-REG STATION IROQUC	45	(40)	3.11	R3	
367.00	MAINS	68	(40)	2.06	Undetermined	
367.50	MAINS - IROQUOIS	68	(40)	2.06	Undetermined	
369.11	REGULATING STATION EQUIPMENT	35	(30)	3.71	Undetermined	
369.12	REGULATING STATION EQUIPMENT-SUPERVISORY	18	(20)	6.67	S0.5	
369.51	REGULATING STATION EQUIPMENT-IROQUOIS	35	(30)	3.71	Undetermined	
369.52	REGULAT NG STATION EQUIPMENT-SUPERVISORY IROQUC	18	(20)	6.67	S0.5	
	DISTRIBUTION PLANT					
374.11	LAND AND LAND RIGHTS-MAINS	70	0	1.43	R3	
375.00	STRUCTURES AND IMPROVEMENTS	60	(30)	2.17	Undetermined	
376.00	MAINS	85	(60)	1.88	R3	
378.11	REGULATING STATION EQUIPMENT	35	(35)	3.86	Undetermined	
378.12	REGULATING STATION EQUIPMENT-SUPERVISORY	30	(15)	3.83	Undetermined	
380.00	SERVICES	70	(60)	2.29	R2	
381.00	METERS	32	(10)	3.44	R1.5	
382.00	METER INSTALLATIONS	40	(15)	2.88	Undetermined	
383.00	HOUSE REGULATORS	55	0	1.82	Undetermined	
384.00	HOUSE REGULATOR INSTALLATION	45	(20)	2.67	L5	
385.00	INDUSTRIAL REGULATING STATION EQUIPMENT	55	(30)	2.36	Undetermined	
385.10	INDUSTRIAL REGULATING STATION REMOTE METERING	55	(30)	2.36	Undetermined	
	COMMON PLANT IN SERVICE					
390.00	STRUCTURES AND IMPROVEMENTS	50	(50)	3.00	L0	
390.10	STRUCTURES AND IMPROVEMENTS-LEASED PROPERTY	50	(50)	3.00	L0	
391.11	OFFICE EQUIPMENT-EDP-GENERA_	8	0	12.50	L3	
391.12	OFFICE EQUIPMENT-EDP-SYSTEM OPERATION	12	0	8.33	L2	
391.21	OFFICE EQUIPMENT-DATA HANDLING	20	0	5.00	L0	
391.22	OFFICE FURNITURE AND EQUIPMENT-OTHER	20	0	5.00	L0	
392.10	TRANSPORTATION EQUIPMENT	8	10	11.25	L3	
392.20	TRANSPORTATION EQUIPMENT-GAS	8	10	11.25	L3	
392.40	TRANSPORTATION EQUIPMENT-COMMON	8	10	11.25	L3	
393.00	STORES EQUIPMENT	35	0	2.86	L2	
393.20	STORES EQUIPMENT - FORKLIFTS	35	0	2.86	L2	
394.10	GARAGE & REPAIR EQUIPMENT	30	0	3.33	R1.5	
394.20	SHOP EQUIPMENT	30	0	3.33	R1.5	
394.30	TOOLS AND WORK EQUIPMENT	30	0	3.33	R1.5	
395.10	LABORATORY EQUIPMENT	35	0	2.86	L1	
395.20	LABORATORY EQUIPMENT-R&D	35	0	2.86	L1	
396.10	POWER OPERATED EQUIP-ELECTRIC	12	15	7.08	L3	
396.20	POWER OPERATED EQUIPMENT-GAS	12	15	7.08	L3	
396.40	POWER OPERATED EQUIPMENT-COMMON	12	15	7.08	L3	
397.10	COMMUNICATION EQUIPMENT-RADIO	20	0	5.00	R2.5	
397.20	COMMUNICATION EQUIPMENT-TELEPHONE	10	0	10.00	L3	
398.00	MISCELLANEOUS EQUIPMENT	30	0	3.33	R0.5	