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*via Federal Express*

August 21, 2008

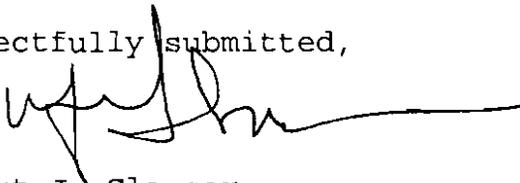
Hon. Jaclyn Brillling  
Secretary  
New York State Public Service Commission  
Empire State Plaza  
Agency Building 3  
Albany, NY 12223-1350

Re: Case 04-M-0159 - Proceeding on Motion of the Commission to  
Examine the Safety of Consolidated Edison Company of New  
York, Inc.'s Electric Transmission and Distribution Systems

Dear Secretary Brillling:

Enclosed please find an original and five copies of  
"Comments Of Central Hudson Gas & Electric Corporation In  
Response To July 8, 2008 Notice Soliciting Comments" for filing  
in the above-referenced proceeding in response to the Notice  
Soliciting Comments (Issued July 8, 2008).

Respectfully submitted,



Robert J. Glasser

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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Proceeding on Motion of the Commission to Examine  
the Safety of Consolidated Edison Company of New  
York, Inc.'s Electric Transmission and  
Distribution Systems – Notice Soliciting Comments  
Issued and Effective July 8, 2008

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Case No. 04-M-0159

COMMENTS OF  
CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
IN RESPONSE TO JULY 8, 2008 NOTICE SOLICITING COMMENTS

**I. INTRODUCTION AND INITIAL STATEMENT**

On July 8, 2008, the Public Service Commission (“Commission”) issued a “Notice Soliciting Comments.” The “Notice Soliciting Comments” contains five questions and a discussion addressing the potential efficacy of utilizing mobile stray voltage testing technology on a statewide basis. These topics addressed a proposal presented by the Department of Public Service Staff (“Staff Proposal”), pertaining to the Commission’s potential adoption of changes to the electric system safety requirements. Central Hudson Gas and Electric (“Central Hudson” or “the Company”) provides its responses to the Commission’s questions and its comments on the Staff Proposal in this filing.

Central Hudson also supports the *Joint Comments of the New York Utilities*, (“Utilities Comments”) which are being filed separately.

**II. CENTRAL HUDSON’S RESPONSES TO THE COMMISSION’S QUESTIONS**

These are Central Hudson’s responses to the five questions stated in the July 8, 2008 Notice Soliciting Comments:

*1) Performing mitigation efforts on any and all voltage findings greater than or equal to one volt.*

Central Hudson believes that mitigation should only be performed on abnormal voltages that do not occur within a normally functioning electric system. Mitigation efforts should not be performed on voltages that are due to induced voltages, neutral-to-earth voltages, or other naturally occurring voltages, which are not harmful under normal circumstances and therefore do not need to be mitigated. In these cases, additional

mitigation techniques can be quite costly and could possibly affect the integrity of the electric system. The Commission should clarify in its Order that all mitigation and reporting required should pertain to contact voltage findings, and not all voltage findings.

Furthermore, Central Hudson supports the comments presented in the Utilities' Comments to the effect that the mitigation level remain at 8 V<sub>AC</sub> as originally required by the Commission.

*2) In the event of a voltage finding on an electric facility, a requirement to test all metallic structures within a minimum 30 foot radius of that facility.*

Central Hudson believes that once a finding is made at a location, the investigation and remediation performed to address the finding already include the surrounding metallic items that are electrically connected. Therefore presenting an expanded testing radius seems to be redundant. Central Hudson would like to refer to the Utilities' Comments regarding this proposal. If a mandated testing radius were to be established, Central Hudson would support the 10-foot radius presented by the utilities.

*3) Implementing the proposed prioritization system for inspections, which include defined repair guidelines.*

Central Hudson has prioritized repairs based upon the severity of the deficiency. This prioritization system has been utilized to establish repair timelines and identify the priority for completing the required work. This system has provided to be valuable in reducing the number of outstanding scheduled repairs on Central Hudson's system, which has improved reliability and increased safety.

However, since Central Hudson already has an operating and successful prioritization system, there is no reason to require central Hudson to abandon that system in lieu of the universal prioritization system proposed. Each separate utility has its own unique work management practices, operating procedures and electrical systems, and issues with these different systems will vary from utility to utility. Therefore, while one utility may correctly deem a specific deficiency to be a low priority on its system, the same deficiency may be a higher priority in another utility's environment. Company management and employees most intimately familiar with the daily operation of the individual systems should be making the evaluations of priorities in the ways they deem most appropriate. The proposed universal priority system does not take into account the different operating issues of specific electrical systems, which may in turn actually compromise the safety and reliability of the system. Central Hudson would like to refer to the Utilities' Comments for the individual changes regarding the prioritization of repairs.

In addition, Central Hudson would like to comment specifically regarding Section 3: Stray Voltage Testing, Paragraph (k) which reads "*As part of the inspection process, deficiencies identified shall be categorized by the time period for the repair based on the severity of the condition. Utilities will prioritize deficiencies by three categories: Level I*

*– repair as soon as possible but not longer than one week, Level II – repair within 6 months of discovery, or Level III – repair within two years. When prioritizing deficiencies, utilities should carefully account for the safety and operational effects should the facility fail prior to repair.” This paragraph should be modified to read: “As part of the inspection process, deficiencies identified shall be categorized by the time period for the repair based on the severity of the condition. Utilities will prioritize deficiencies according to the following three categories: Level I – repair as soon as possible but no longer than one week, Level II – repair within one year, Level III – repair within three years. When prioritizing deficiencies, utilities should account for the safety and operational effects should the facility fail prior to repair.”*

Central Hudson proposes changing the time frames established for Level II and Level III conditions, to one year and three years, respectively, after verification by a qualified Central Hudson representative. This modification is proposed due to the nature of repairs required for these categories.

Conditions categorized as Level II repairs pose no immediate danger to the general public. Such conditions may require extensive planning and scheduling to implement a permanent repair, such as arranging for equipment and pole replacements. These repairs often involve equipment that is not readily available and permitting that may take six months or more to obtain. These repairs may also involve shutdowns, which require careful scheduling in order to minimize impacts on customers.

Central Hudson will make every reasonable effort to repair Level II conditions as soon as system conditions and manpower permit. However, due to the complexities involved in completing many Level II repairs, Central Hudson proposes that the timeframe to complete a permanent repair be extended to one year after field verification by a qualified Central Hudson representative.

Central Hudson proposes to modify the Level III repair timeframe, from two years to three years. Conditions categorized as Level III repairs are by nature a low priority for remediation, and pose no immediate danger to the public or to the reliability of the electric system. After an assessment of the average number of this category of conditions found per year, Central Hudson has determined that repairs to conditions shall be completed within three years based on the current availability of resources and other required system maintenance. Furthermore, existing scheduled survey and maintenance work, such as annual stray voltage testing, transmission line ground patrol inspections, and the Company’s tree trimming programs, would be able to detect any serious conditions, should a condition deteriorate to a more serious level, and change the Level III condition to a Level II or Level I, necessitating a more immediate repair.

*4) Accurately tracking repair activities in response to inspection findings.*

Central Hudson supports the requirement of being able to accurately track repair activities; however, the Company does not agree with retroactively assigning previous data in years 2005 to 2008 to the new tracking methods. In assigning previous data to

these newly proposed time frames and priorities, there will be inconsistencies between this new report and previous annual reports to the PSC. In addition, the historical data was collected and repairs were prioritized under a different set of rules and regulations than presented in the changes proposed by Staff. In addition, Central Hudson would like to refer to the Utilities' Comments in support of this comment.

*5) Changes to testing, inspection, and quality assurance practices needed to comply with the proposed changes.*

Please refer to the Utilities' Comments for comments related to each of the proposed changes individually.

### **III. Mobile Voltage Testing**

Central Hudson has a limited amount of territory where mobile testing would be applicable since the vast majority of our distribution system is overhead. It has been indicated that mobile testing cannot be performed in areas with overhead distribution since excess "noise" is created due to the high voltages that negatively impacts the validity of the testing results. In addition, Central Hudson's underground networks are located in the cities of Poughkeepsie, Newburgh, and Kingston where overhead distribution is in close proximity. Since there is no clear specification to how far away from overhead primary this mobile testing unit has to be, Central Hudson is not confident that this mobile testing unit can be used cost effectively, if at all, in our service territory.

Central Hudson would also like to refer to the Utilities' Comments for further support for this comment.

Dated: New York, New York  
August 21, 2008

Respectfully submitted,



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