

REBUTTAL TESTIMONY  
OF  
FORECASTING & RATES PANEL

CASES 09-E-0588 & 09-G-0589

1 Q. Are you the same Stacy E. Powers who submitted pre-filed direct testimony  
2 in this proceeding?

3 A. Yes, I am.

4

5 Q. Are you the same Amy S. Dittmar who submitted pre-filed direct testimony in  
6 this proceeding?

7 A. Yes, I am.

8

9 Q. What is the purpose of your rebuttal testimony in this proceeding?

10 A. The purpose of our rebuttal testimony is to respond to certain portions of the  
11 prepared testimony of the Staff Forecasting Panel (SFP), Staff Electric Rates  
12 Panel (ERP), Staff Gas Rates Panel (GRP) and Staff Gas Procurement  
13 Panel (GPP) regarding electric and gas customers, sales and revenue  
14 forecasts, proposed rate design, including the current unbundled rate  
15 structure, proposed modifications to the interruptible gas imputation and  
16 electric revenue decoupling mechanism ("RDM"), revisions proposed by the  
17 Staff Gas Procurement Panel regarding capacity release and peak  
18 day/design winter requirements, and the revisions proposed by Staff to the  
19 Company's Hourly Pricing Provision. Copies of all information responses  
20 provided by Staff and referenced in this testimony are provided in Rebuttal  
21 Exhibit\_\_(FRP-1).

22

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1 Q. Are there any general comments you would like to make regarding the Staff  
2 Forecasting Panel's review of the customer and sales forecasts submitted by  
3 the Company?

4 A. Yes. As indicated in the SFP testimony at page 5, all indices reflecting  
5 Economy.com forecasts of employment, income and demographic-related  
6 variables used by Staff were identical to those utilized by the Company. The  
7 Panel continued on page 6 of their direct testimony that they used the same  
8 projections for gas and electricity prices as those compiled by the Company.  
9 Finally, Staff has employed the same rate year EEPS and PV sales  
10 reductions provided by the Company.

11

12 Q. Has the Staff Forecasting Panel proposed adjustments to the electric and  
13 gas customer and sales forecasts?

14 A. Yes. The SFP proposed adjustments to certain components of the sales  
15 forecast models. The Forecasting Panel described, on page 7 of their  
16 testimony, most of their modifications as refinements or minor improvements  
17 rather than corrections. The SFP made adjustments to the "X" variables  
18 utilized in the electric and gas sales models by assigning a value of zero to  
19 historic and projected out-of-season degree-days. In addition, the Panel  
20 adjusted these variables, where applicable, to incorporate their estimates of  
21 income elasticities for electric and gas residential non-heating and GDP  
22 elasticities for gas commercial non-heating and OPA.

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1

2 Q. Do you agree with the adjustments made by Staff?

3 A. We do not agree with the SFP's modification to remove out-of-season  
4 degree-days. We continue to maintain that it is inappropriate for Staff to  
5 ignore out-of-season degree-days as this is intentionally altering actual data.

6 To the extent the actual degree-day data includes out-of-season degree-  
7 days, the associated sales reflect the impacts of all degree-days in that  
8 period.

9 Regarding Staff's changes to the elasticity values, while we continue to  
10 endorse the elasticity estimates utilized by the Company FRP, we estimate  
11 that the impact of Staff's adjustments to the elasticity values is fairly minor  
12 except for the gas OPA class where we estimate (by utilizing Staff's elasticity  
13 estimate in the Company's initial FRP model) the impact is an increase in  
14 average use of approximately 4.9% in the rate year.

15

16 Q. Are there any additional comments you would like to make regarding the  
17 customer forecasts?

18 A. Yes. In its testimony on page 10, the GRP indicated it made a post-forecast  
19 adjustment to add 132 customers to the rate year customer forecast to  
20 account for the difference between the aggregate customer counts, as  
21 reported by the billing system and those in the forecasting models.

22

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1 Q. Do you agree with Staff's adjustment?

2 A. No. The additional 132 customers calculated by Staff is a result of the  
3 utilization of data for calendar years 2006 and 2007. As indicated in response  
4 to Information Request CH-25a, Staff contends that 2006 and 2007 data was  
5 utilized as this data was readily available, however data through calendar  
6 year 2008 were provided to Staff with the Company's work papers on July  
7 31, 2009. Utilizing the most recent two-year period, 2007 and 2008, results in  
8 an adjustment of 75 as opposed to Staff's 132 customers. Further, we  
9 believe the method utilized by Staff to allocate the customer adjustment  
10 among heat and non-heat sub-class over-allocates customers to the  
11 residential classes.

12

13 Q. How do you propose to allocate the resulting 75 customers among the  
14 classes?

15 A. As indicated on Rebuttal Exhibit\_\_(FRP-2), a large portion of the customer  
16 variation is attributable to the non-residential classes. Staff's proposed  
17 allocation methodology, which allocates the customer adjustment to the  
18 classes based on the forecast for the rate year, over-allocates the customer  
19 difference to the residential classes. Instead, the residential and non-  
20 residential variations should be allocated to those classes accordingly. As a  
21 result, 30 customers would be allocated to the residential sub-classes and 45  
22 customers would be allocated to the non-residential sub-classes based on

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1 the rate year forecast under our proposal.

2

3 Q. Have there been any changes in the data or assumptions utilized by the  
4 Company in the development of the electric customer, sales and revenue  
5 forecasts that accompanied the FRP's pre-filed direct testimony?

6 A. Yes. The original forecasts generally utilized actual customer and sales data  
7 available through March 2009 and utilized economic projections based on  
8 the April 2009 forecast provided by Moody's Economy.com to the New York  
9 Independent System Operator. The Company received a new forecast from  
10 Moody's Economy.com on November 13, 2009, which was provided to Staff  
11 as a supplemental response to Staff Information Request No. 22 on  
12 November 17, 2009.

13 Additionally, estimates of realized EEPS MWh and Mcf savings have been  
14 made as the Company estimates its customers began to experience energy  
15 savings related to the installation of energy efficient equipment as part of the  
16 Company's approved Fast Track programs in Case 07-M-0548.

17

18 Q. Please elaborate on the estimates made concerning realized EEPS MWh  
19 and Mcf savings.

20 A. The Company's Energy Efficiency group provided the Panel with acquired  
21 annual savings for equipment installed in the months of July – November  
22 2009 as part of the Company's three approved Fast Track programs

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1 (residential electric, residential gas and small business). Annual savings for  
2 each program were first allocated to the applicable classes and then  
3 allocated across the calendar year based on a three-year average of monthly  
4 sales allocations for each class. Monthly savings were then added back to  
5 billed sales prior to forecasting.

6

7 Q. Why did the Panel add these estimates back to billing system data?

8 A. To the extent the Company's billing data already reflects energy savings  
9 related to the Company's three Fast Track programs, this reduction in usage  
10 will be forecasted forward into the rate year. The current forecasting process  
11 includes post-forecast adjustments made to reduce the sales forecast for  
12 estimates of MWh and Mcf savings related to the Energy Efficiency Portfolio  
13 Standard. So as not to double count savings already experienced, the Panel  
14 has added these savings back to the historical data.

15

16 Q. Have you prepared revised electric and gas customer, sales and revenue  
17 forecasts incorporating this new data?

18 A. Yes. These forecasts are presented in Rebuttal Exhibit \_\_ (FRP-3) for  
19 electric and Rebuttal Exhibit \_\_ (FRP-4) for gas.

20

21 Q. Please summarize the changes made to the forecasts originally submitted by  
22 the Company FRP with its pre-filed direct testimony.

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1 A. Generally, all customer and sales models were updated with actual data  
2 through November 2009. In addition, all forecasts which utilized econometric  
3 models were updated with the new economic forecast from Moody's  
4 Economy.com and all forecasts which utilized price reflect an updated price  
5 forecast. The residential sales models and gas commercial sales models  
6 were updated with new end-use saturation and efficiency data for the Middle  
7 Atlantic Census Region as compiled by Itron, Inc.  
8 Furthermore, the allocation used to convert monthly electric customers and  
9 sales from revenue class to service class was revised to account for one  
10 S.C. No. 3 customer who was switched to S.C. No. 2 effective November  
11 2009.  
12 Finally, sales reductions attributable to the EEPS were updated to reflect  
13 MWh corrections identified in the Panel's response to MI IR No. 67.  
14 Additionally, Mcf sales reductions attributable to the EEPS were updated to  
15 reflect more recent data. The EEPS reductions included in the Company's  
16 initial filing reflected the savings identified for Central Hudson in the March  
17 2008 Staff Report in Case 07-M-0548. The Panel has since revisited the  
18 estimated EEPS savings and has included here estimates based on more  
19 recent orders in the EEPS proceeding. The Approved Utility "Expedited"  
20 Program Savings Targets identified in Appendix 1, Table 3 of the April 9,  
21 2009 Order in Case 08-G-1020 were utilized to approximate Central  
22 Hudson's contribution to the statewide savings. This share was then applied

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1 to the statewide total Natural Gas Savings Expected as shown in Appendix 2  
2 of the May 19, 2009 Order in Case 07-M-0548.

3

4 Q. Please describe in further detail changes that were made with respect to  
5 electric customer and sales model specifications.

6 A. Minor changes such as the addition or removal of binary (or dummy)  
7 variables were made to certain models. In addition, the estimation period for  
8 several models were adjusted to better capture underlying trends within the  
9 data. Finally, the underlying economic driver was changed in the commercial  
10 customer models. These changes to economic drivers result in a forecast  
11 more closely representing Staff's customer forecast for these classes. All the  
12 aforementioned modifications are detailed on Rebuttal Exhibit\_\_(FRP-5).

13

14 Q. Please describe in further detail changes that were made with respect to gas  
15 customer and sales model specifications.

16 A. Minor changes such as the addition or removal of binary (or dummy)  
17 variables were made to certain models. These modifications are detailed on  
18 Rebuttal Exhibit\_\_(FRP-6). In response to the GRP's concerns in its  
19 testimony at page 13 regarding the gas industrial sales model, the  
20 autoregressive error term was removed, and the estimation period was  
21 shortened.

22 Modifications were also made to the gas customer model specifications; both

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1 the residential and commercial non-heat model estimation periods were  
2 shortened and trend variables were added to the residential and commercial  
3 heat models. The driver of the commercial heat model was modified from  
4 non-manufacturing employment to the logarithmic value of non-  
5 manufacturing employment, similar to staff's approach identified on  
6 Exhibit\_\_(SFP-5), page 4 of 13.

7

8 Q. Were any changes made to any other gas forecasting files?

9 A. Yes. Changes were made to the gas customer, sales and revenue summary  
10 files to provide for greater detail within service classifications. In conjunction  
11 with these changes, the ogive distribution process was simplified to reflect  
12 SC 1 heat and non-heat and SC 2 heat and non-heat subclasses.

13

14 Q. Please summarize the resulting impacts, as compared to the forecasts  
15 originally submitted by the Company FRP with its pre-filed direct testimony.

16 A. As shown on Rebuttal Exhibit\_\_(FRP-7) for electric, Rate Year own territory  
17 sales (excluding unbilled) are 5,152,039 MWh, or 42,640 MWh lower, as  
18 compared to 5,191,349 MWh as shown on Exhibit\_\_(FRP-2) Schedule F,  
19 Sheet 1 of 3 of our pre-filed direct testimony. As shown on Rebuttal  
20 Exhibit\_\_(FRP-8) for gas, Rate Year own territory sales (excluding unbilled)  
21 are 14,220,532 Mcf, or 630,470 Mcf lower, as compared to 14,851,002 Mcf  
22 as shown on Exhibit\_\_(FRP-3) Schedule F, of our pre-filed direct testimony.

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1

2 Q. Are there any comments you would like to make regarding rate year  
3 revenues utilized by Staff for revenue allocation and rate design purposes?

4 A. Yes. In response to Information Request CH-53, the ERP corrected the price  
5 out of electric revenues in the rate year, recognizing the fact that MFC lost  
6 revenues and MFC transition adjustment should not be included in the  
7 development of rate year revenues at current rates. Additionally, in response  
8 to Information Request CH-95, the ERP recognized the fact that for  
9 consistency purposes between the Company and Staff's revenue price outs,  
10 revenue taxes associated with the Electric Bill Credit, SBC revenues and 18a  
11 revenues should not be included in the final rate year delivery revenues.  
12 Finally, in response to Information Request CH-110, the ERP and GRP  
13 recognized there are no unbilled revenues included in their rate year delivery  
14 revenues. This differs from the Company's presentation in which unbilled  
15 revenues are included in own territory delivery revenues on the income  
16 statement. We believe the final development of rate year revenues at current  
17 rates should reflect the inclusion of unbilled revenues for both electric and  
18 gas.

19

20 Q. Has the Company FRP revised its revenue allocation and rate design  
21 positions to reflect the forecast changes it has presented herein?

22 A. No. As previously stated, we continue to maintain that to the extent the

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1 assumptions regarding economic activity, prices and/or consumption patterns  
2 incorporated in the sales forecasts that we sponsored change, these  
3 changes, as well as any other changes associated with revenue requirement,  
4 should be reflected in the final Rate Year forecasts utilized to determine the  
5 revenue requirement and rate design as approved by the Commission. As a  
6 result, we believe that any required revenue allocation and rate design  
7 changes should be made at a later stage in this proceeding.

8

9 Q. Did Staff accept the Company's revenue allocation methodology?

10 A. No. The Electric and Gas Rates Panels recommended an approach in which  
11 the overall system rate increase is allocated among the classes based on  
12 rate year revenues at current rates using the restriction that classes earning  
13 a unitized rate of return greater than 1.25 receive .75 times the system  
14 increase, classes earning a unitized rate of return less than .75 receive 1.25  
15 times the system increase, and all other classes receive the system increase.  
16 The panels used the Embedded and Pro Forma cost of service studies to  
17 develop the unitized rates of return as a basis for each class rate of return  
18 and in the case of electric revenue allocation, the Electric Rates Panel also  
19 utilized the delivery-only cost of service as a basis for the class rate of return.

20

21 Q. Do you agree with the revenue allocation methodology recommended by  
22 Staff?

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1 A. No. We do not support the use of the embedded or the delivery-only (in the  
2 case of electric) cost of service studies for use in revenue allocation. Our  
3 concerns with Staff's proposal are addressed in the rebuttal testimony of the  
4 Company Cost of Service Panel (COSP).

5

6 Q. Are there any comments that you would like to make regarding the rate  
7 design proposed by Staff?

8 A. Yes. To the extent no delivery rate increase is approved by the Commission,  
9 the Panel believes revenue-neutral rate design should be undertaken to  
10 move the customer charges closer to those in the cost of service.

11

12 Q. Has Staff made any other proposals regarding the electric rate structure?

13 A. Yes. In our direct testimony, we proposed a structural change to the electric  
14 S.C. No. 6 rate differential between on- and off-peak volumetric rates. In their  
15 testimony on page 29 the ERP agrees that the split between on- and off-peak  
16 should be eliminated for this class, but they are concerned with the potential  
17 bill impacts if this rate differential were eliminated completely. Instead, the  
18 ERP proposes to phase in the removal of the rate differential by moving 25%  
19 towards the Company's proposed single rate in the rate year.

20

21 Q. Do you agree with Staff's concerns regarding potential bill impacts if the on-  
22 and off-peak rate differential is eliminated?

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1 A. No. A customer's potential bill impacts will depend on the percentage of on-  
2 and off-peak usage. We maintain that a majority of customers taking service  
3 under this rate will fall into a range which will not see the bill impacts of plus  
4 or minus 15% referenced in the ERP testimony at page 30. Further, in  
5 response to Information Request CH-55, the ERP noted that approximately  
6 90% of customers would fall into a range which would produce bill impacts of  
7 -2.3% to 6.8%.

8

9 Q. Moving on to the topic of revenue decoupling mechanisms ("RDM"), is Staff  
10 proposing any changes to the RDM currently in place?

11 A. Yes. The ERP has proposed an adjustment to the current electric RDM.

12

13 Q. Would you please explain the current operation of the electric RDM?

14 A. Consistent with the Commission's approval of Staff's revenue per class RDM  
15 model, "RDM targets [are] computed for each class or subclass for each  
16 month of the rate year as the sum of the forecast revenues associated with  
17 the customer charge, base rate delivery energy charge (if any), base rate  
18 delivery demand charge (if any), base rate delivery reactive demand charge  
19 (if any) and Merchant Function Charges for that class or subclass. Each  
20 month, actual revenues from those rate elements [are] computed and  
21 compared with the RDM targets to determine the excess or shortfall of  
22 revenue." (Tr. 1060, Cases 08-E-0887 and 08-G-0888) Under this method

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1 Staff concludes that “over-compensation or over-penalization is not an  
2 issue.” (Staff Initial Brief in Cases 08-E-0887 and 08-G-0888 at 240-241)

3

4 Q. How are forecast revenues developed?

5 A. Forecast revenues are developed as the product of the rate year forecast  
6 billing determinants and rate year rates to yield the authorized rate year  
7 revenue requirement, consistent with the rate design process.

8

9 Q. Why is the ERP proposing an adjustment to this mechanism?

10 A. Staff has changed its position on the electric RDM based on its belief that  
11 there is a mismatch between allowed and actual revenue due to the  
12 Company’s transition of billing rates when new rates are implemented.

13

14 Q. How has the ERP proposed to make this adjustment?

15 A. Rather than continue the current revenue per class RDM, the ERP, in its  
16 direct testimony on page 34 lines 11 through 14, proposes “comparing billing  
17 determinants to determine differences in usage and then price out the  
18 differences at effective rate year rates.”

19

20 Q. Do you agree with the ERP’s proposal?

21 A. No. The result of the ERP’s proposal would be the utilization of a revenue  
22 requirement amount that differs from the authorized revenue requirement,

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1 which we believe is contrary to the Commission's April 20, 2007 Order in  
2 Cases 03-E-0640 and 06-G-0746, wherein the Commission stated at page 8  
3 that "RDMs function by comparing actual versus authorized revenues."  
4 (also quoted in Staff Initial Brief in Cases 08-E-0887 and 08-G-0888 at 223)  
5 Further, Staff, in the aforementioned brief at 223, also acknowledged that  
6 RDMs also reconcile for items not related to energy efficiency when it stated  
7 that a RDM "true-up would include, among other things, any net lost  
8 revenues attributable to the implementation of energy efficiency programs."  
9

10 Q. Are there any additional comments you would like to make regarding the  
11 electric RDM and the ERP's proposal?

12 A. Yes. We believe that the ERP's proposal to change the structure of the RDM  
13 is not necessary. Revenue targets should be established consistent with  
14 Commission requirements and consistent with approved revenue  
15 requirements and rate design. Finally, it must be recognized that due to its  
16 bi-monthly billing process, the impacts of Staff's new proposal for  
17 transitioning to new rates is more severe on Central Hudson than at other  
18 New York utilities.

19

20 Q. Moving on to the recovery of purchased electricity costs, has Staff proposed  
21 any changes to the Hourly Pricing Provision ("HPP")?

22 A. Yes.

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1

2 Q. Please summarize the changes proposed by the Staff Electric Rates Panel.

3 A. Generally, the Staff Electric Rates Panel has proposed to expand the HPP to  
4 customers with maximum demands greater than 300 kW.

5

6 Q. What is the basis for the Staff Electric Rates Panel's proposal to expand the  
7 HPP and the selection of a 300 kW threshold?

8 A. The Electric Rates Panel in its testimony on page 36 cites the benefits of  
9 "potential reductions to peak period prices, enhanced peak period reliability,  
10 wholesale market power mitigation, a reduction in dependence on natural  
11 gas fueled generation, and more equitable pricing of customer bills." The  
12 Panel provides no basis, however, for the selection of a 300 kW threshold.

13

14 Q. Are there any other comments you would like to make regarding Staff's  
15 proposed expansion of the HPP?

16 A. At this time, the Company is still awaiting Commission approval of its Plan  
17 for Implementation of Expansion of Hourly Pricing (Plan) filed in compliance  
18 with the Order in Case 08-E-0887. This proposed Plan expands the  
19 Company's mandatory hourly pricing to approximately 109 customers  
20 exceeding 500 kW. The ERP's proposal in the current case to expand the  
21 program to an additional 108 customers seems premature to the Company  
22 considering it has yet to begin implementation of HPP expansion to

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1 customers meeting the 500 kW threshold. In addition, we believe the timeline  
2 presented by the ERP, the Panel is overly optimistic with regards to the time  
3 needed to install metering and coordinate with customers to install phone  
4 communications. The Company believes this process will require at least six  
5 months.

6

7 Q. Moving on to the topic of the gas interruptible profit imputation, has Staff  
8 proposed any changes to the current imputation level?

9 A. Yes. On page 13 of the GRP testimony, Staff proposes to increase the  
10 imputation level to the most recent three year average of \$2.4 million.

11

12 Q. Does the Company agree with Staff's proposal?

13 A. No. The Company has not yet completed one year under the new imputation  
14 level of \$1.95 million set by Staff in Case 08-G-0888 and feels that a change  
15 to the imputation at this time is premature. In addition, the Company currently  
16 sets interruptible rates based on an estimate of the cost of gas each month in  
17 relation to the cost of the alternate fuel. Generally, the Company tries to price  
18 interruptible gas for the month so that it is more attractive for customers to  
19 choose gas than their alternate fuel. Using this pricing methodology, the  
20 Company is able to take advantage of the price differential in months where  
21 the price of gas is significantly lower than the price of oil by earning a larger  
22 margin on the gas price while still providing customers with a pricing option

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1 lower than that of their alternate fuel. When this pricing differential becomes  
2 smaller, however, it becomes more difficult for the Company to earn a similar  
3 margin while still enticing customers to use gas for the month. Currently, the  
4 Company is able to maintain a high enough differential to meet the current  
5 profit imputation, however, the differential that is currently seen between gas  
6 prices and alternate fuels is not necessarily an indicator of future price  
7 differentials. As shown on Rebuttal Exhibit\_\_(FRP-9), gas and oil prices do  
8 have a tendency to converge to levels resulting in a smaller price differential  
9 than that currently experienced.

10 Additionally, the Company has recently experienced a significant movement  
11 of customers from interruptible sales service (S.C. No. 8) to interruptible  
12 transportation service (S.C. No. 9) as depicted by the table below, with an  
13 additional two customers expected to transfer to S.C. No. 9 in the month of  
14 January 2010. With fewer customers taking interruptible sales service, (i.e.  
15 purchasing their gas supply from the Company), the Company has less of an  
16 opportunity to make a profit on a supply price differential for these customers.

<b>S.C. 9</b>	
<b>Month</b>	<b>Customers</b>
Mar-09	19
Apr-09	36
May-09	36
Jun-09	36
Jul-09	36
Aug-09	37
Sep-09	38
Oct-09	40
Nov-09	39
Dec-09	39

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1

2 Q. Please describe the issues contained in the Gas Procurement Panel's  
3 (GPP) testimony that you would like to address.

4 A. We would like to address the GPP's proposal on capacity release and its  
5 recommendation regarding peak day and design winter requirement  
6 calculations.

7

8 Q. What has the GPP proposed regarding capacity release?

9 A. The GPP has proposed to require Central Hudson to release capacity to  
10 marketers participating in the Company's Retail Access Program at Central  
11 Hudson's system weighted average cost of capacity (WACOC).

12

13 Q. What are your concerns with this proposal?

14 A. Our concern is that, in contrast to the current Commission-approved  
15 procedures followed by the Company, the WACOC will not be applied  
16 consistently to all firm gas customers (excluding those ineligible to participate  
17 in the Company's Retail Access Program), creating the potential for both  
18 subsidies between full service and retail access customers and collection of  
19 amounts different from actual capacity costs incurred.

20

21 Q. How might this happen?

22 A. Under Staff's proposal, the WACOC rate will need to be posted to each

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1 pipeline's bulletin board in advance of the capacity release month. As a  
2 result, the WACOC rate to be utilized for a given month will need to be an  
3 estimate, and could therefore differ from the actual pipeline costs incurred.

4

5 Q. Has the GPP provided a proposed methodology to specifically address these  
6 differences?

7 A. While the GPP has acknowledged, in response to Information Request CH-  
8 26, that differences may occur and "could be reconciled on an annual basis,"  
9 they have not provide a detailed methodology of the mechanisms that would  
10 need to be utilized to insure that actual costs are collected and subsidies  
11 between full-service and retail access are avoided.

12

13 Q. What has the GPP's recommendation regarding peak day and design winter  
14 requirement calculations?

15 A. The GPP has recommended that the Company be required to use the  
16 forecasting methodology that is ultimately approved in this proceeding to  
17 calculate the peak day and design winter requirements for future supply  
18 planning purposes.

19

20 Q. Please discuss your concerns with this recommendation.

21 A. First, we are concerned that the forecasting methodology, and specifically  
22 the models utilized to develop the Commission-approved forecasts, will not

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1 be readily available based on experience from the most recently completed  
2 Case 08-G-0888, wherein the models were not provided to the Company.  
3 Second, we are concerned that a static methodology will not allow the  
4 Company to effectively and timely address changing economic and business  
5 conditions, resulting in a compromised supply and capacity procurement  
6 planning process. If the Company is to be accountable for its gas planning  
7 activities, it should have the flexibility to perform the analyses that it  
8 determines are appropriate as conditions change. Finally, the GPP has not  
9 identified any deficiencies in the Company's current supply and capacity  
10 procurement planning process to support this recommendation.

11

12 Q. Are there any other topics that you would like to address?

13 A. As indicated in response to Information Request CH-94, the Staff Electric  
14 Rates Panel indicated it would be amenable to allocating the final  
15 Commission approved sales forecast based on monthly allocations for the  
16 development of monthly RDM targets.

17

18 Q. Does this conclude your rebuttal testimony?

19 A. Yes, it does.