

BEFORE THE
NEW YORK STATE
PUBLIC SERVICE COMMISSION

In the Matter of the Application of Central Hudson Gas & Electric Corporation For a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the Public Service Law for the A and C Line Rebuild Project, Approximately 10.85 miles of 115 Kilovolt Transmission Lines in the Towns of Pleasant Valley, LaGrange, Wappinger, and East Fishkill, in Dutchess County

Case No.: 13-T-____

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
A AND C LINE REBUILD PROJECT

EXHIBIT 6

ECONOMIC EFFECTS OF THE PROPOSED FACILITY

EXHIBIT 6 – ECONOMIC EFFECTS OF THE PROPOSED FACILITY

This section addresses the requirements of 16 NYCRR §86.7.

6.1 Introduction

Central Hudson Gas & Electric Corporation (CHG&E or the Applicant) is proposing to rebuilt and reconductor the existing 115 kV A and C transmission lines (A and C Lines) between Pleasant Valley and East Fishkill in Dutchess County, New York (the Project). The Project is expected to generate limited economic impacts through Project-related employment, including employment related to its construction, operation and maintenance. Facility reconstruction is expected to require a workforce of approximately 18 employees through all phases of the work. It is anticipated that reconstruction will begin in spring/early summer of 2014, and last approximately 18 months. In addition to the short construction schedule, efforts to minimize construction-related disruptions to the local power supply should effectively mitigate any potential adverse economic impacts during construction. CHG&E customers will continue to receive electric service throughout construction, since the electric distribution systems will receive service from other transmission lines that feed the substations from which they originate.

The employment impacts associated with facility reconstruction are short-term, and are not expected to generate long-term economic growth within the four towns along the ROW. As the reconstructed facility will take the place of a similar existing facility, employment related to the operation and maintenance of the new facility is also not expected to generate local economic growth.

6.2 Local Economy and Demographics

From north to south along the existing right-of-way, the proposed transmission facility transects the following four towns within Dutchess County: Pleasant Valley, LaGrange, Wappinger, and East Fishkill. The respective population of each of these towns is shown in Table 6-1, below.

Table 6-1: Estimated Population along Transmission Facility ROW

2011 Population estimate	
Town/County	Population
Town of East Fishkill	28,771
Town of La Grange	15,708
Town of Pleasant Valley	9,639
Town of Wappinger	27,101
<i>Towns subtotal</i>	<i>81,219</i>
Dutchess County	296,842

Source: U.S. Census Bureau, American Community Survey 2011 5-year estimate

As shown in Table 6-2, the majority of the population over the age of 16 within each town, and the county at large, are currently in the labor force. However a significant percent of the labor force within each of these jurisdictions is currently unemployed. The primary employment sectors within Dutchess County are detailed in Table 6-3.

Table 6-2: Estimated Labor Force and Unemployment Rate

2011 Labor force estimate			
Town/County	Population 16+ years	Labor force	Unemployment %
Town of East Fishkill	21,812	14,947	6.8%
Town of La Grange	12,212	8,431	10.5%
Town of Pleasant Valley	7,726	5,614	10.4%
Town of Wappinger	21,555	15,254	7.7%
Dutchess County	239,125	154,872	8.1%

Source: U.S. Census Bureau, American Community Survey 2011 5-year estimate

Table 6-3: Employment by Industry and Worker Classification

	Dutchess County	Town of East Fishkill	Town of La Grange	Town of Pleasant Valley	Town of Wappinger
Industry					
Agriculture, forestry, fishing and hunting, and mining	0.9%	0.3%	0.1%	1.6%	0.4%
Construction	7.9%	9.1%	9.0%	10.2%	7.4%
Manufacturing	8.5%	9.0%	10.1%	9.6%	9.6%
Wholesale trade	2.2%	3.3%	1.8%	1.0%	2.9%
Retail trade	11.4%	11.1%	10.9%	9.1%	15.8%
Transportation and warehousing, and utilities	4.5%	3.2%	6.4%	3.9%	4.8%
Information	2.3%	3.0%	1.8%	0.7%	1.6%
Finance and insurance, and real estate and rental and leasing	5.8%	7.7%	6.4%	6.0%	8.1%
Professional, scientific, and management, and administrative and waste management services	9.7%	10.5%	10.6%	8.3%	8.6%
Educational services, and health care and social assistance	29.5%	25.8%	29.6%	32.7%	23.8%
Arts, entertainment, and recreation, and accommodation and food services	7.8%	6.7%	5.9%	7.7%	7.6%
Other services, except public administration	4.0%	4.2%	3.3%	4.6%	3.5%
Public administration	5.4%	6.3%	4.1%	4.6%	5.8%
Class of worker					
Private wage and salary workers	75.8%	78.5%	73.8%	77.1%	77.3%
Government workers	18.2%	17.5%	21.0%	16.1%	18.4%
Self-employed, unincorporated business workers	5.8%	3.9%	5.1%	6.4%	4.2%
Unpaid family workers	0.2%	0.2%	0.1%	0.4%	0.1%

6.3 Construction Effects and Mitigation

The economic impact of Project construction is expected to be limited to Project-related employment, as neither the scale nor nature of the project would likely produce long-term economic growth in the area. The total size of the estimated construction workforce, though not insignificant, does not reflect a permanent increase in regional employment such that overall demand for local goods and services would experience a substantial impact. As the Project moves from construction into operation and maintenance, Project-related employment is expected to decrease substantially, eventually to pre-project levels.

Because the proposed transmission facility will be located within an existing transmission ROW, no permanent changes in local land use and development patterns are expected as a result of Project construction. Maintenance of a reliable electric transmission system serves to support existing land uses, including residential and commercial uses.

6.3.1 Construction schedule

The proposed reconstruction of existing transmission facilities is expected to last approximately 18 months, from spring/early summer of 2014 to the end of 2015.

A detailed construction schedule will not be finalized until final project approval is granted and contracts have been awarded to all contractors. However, it is anticipated that the line will be rebuilt in phases or sections. It is likely that one section (or A or C Line) will be worked on at a time, although there may be overlap of multiple phases of construction in each section. Construction within each section will likely take 4 – 6 months. Typical work sequence within a section will be as follows:

- Surveying new pole locations,
- Improving temporary access roads as necessary and laydown areas,
- Mobilizing equipment,
- Drilling pole holes,
- Installing structures, guys, and insulators
- Transferring conductors from old structures to new,
- Removing old structures,
- Pulling new conductors,
- Securing new conductors
- Placing new line in service, and
- Final restoration and site demobilization.

Schedule requirements listed above are estimates only, and represent overlapping portions of Project construction.

6.3.2 Number of Workers by Construction Discipline

The total size of the construction workforce is expected to be approximately 18 workers, though not all are expected to be on site at any given time during Project construction. Approximate workforce requirements per general task are as follows:

- Supervision/management/environmental: Four workers
- Hole Drilling: Three workers
- Existing Structure Removal and New Structure Erection and Stringing: 8 workers
- Erosion/Sediment Control and Site restoration: Three workers

6.3.3 Available Construction Force

The location of the proposed Project, within the Hudson Valley and in proximity to the New York City metropolitan area, is such that the available construction workforce can easily accommodate a project of this size. The Project is not expected to generate any substantial amount of permanent in-migration of workers. It is also not expected that temporary housing of workers required for project construction will cause a noticeable disruption in the local housing market.

6.3.4 Mitigation

The approximate schedule and workforce size estimated for Project construction are such that no substantial changes in local land use or socioeconomic patterns will be experienced. Project-related employment and income will not require any mitigation efforts.

6.4 Operational Effects and Mitigation

As the proposed transmission facility replaces existing operational infrastructure, the Project is not expected to require any additional full-time workers for its operation and maintenance. No direct or indirect impacts on the local economy are anticipated, as employment and land use within the towns along the ROW are not expected to change as a result of operation and maintenance of the reconstructed facility.

However, to the extent that the Project improves the reliability and operational efficiency of the regional power supply, the proposed Project will support existing land uses and future economic development.