



CENTRAL HUDSON GAS and ELECTRIC CORPORATION

STRAY VOLTAGE TEST and FACILITY INSPECTION

**Report on the results of stray voltage tests and facility inspections
for the period beginning December 1, 2006 and ending on November 30, 2007**

January 15, 2008

Table of Contents

I.	Background	3
II.	Overview	4
III.	Details of Stray Voltage Tests	7
IV.	Details of Facility Inspections	10
V.	Annual Performance Targets	28
VI.	Certifications	29
VII.	Analysis	35
VIII.	Other Pertinent Information	38

Appendix 1: Stray Voltage Testing Summary – Annual Report

I. Background

Pursuant to the Public Service Commission's Order on Petitions for Rehearing and Waiver (the "Order") issued and effective on July 21, 2005 in Case 04-M-0159 – Proceeding on Motion of the Commission to Examine the Safety of Electric Transmission and Distribution Systems, utilities are required to file a comprehensive report by January 15 each year that:

- Details the results of stray voltage tests and inspections conducted over the 12-month period ending on November 30 of each prior calendar year.
- Addresses the performance mechanism specified in Section 10 of Appendix A to the Order
- Contains the certifications described in Section 7 of Appendix A to the Order
- Discusses the analysis undertaken on the causes of stray voltage within the utility's electric system, the conclusions drawn there from, the preventive and remedial measures identified, and the utility's plans to implement those measures.
- Includes all other information that is pertinent to the issues addressed by the safety standards.

II. Overview

Central Hudson is an investor owned utility delivering natural gas and electricity in a 2,600 square mile service territory located primarily in the Mid Hudson valley in New York State. Central Hudson serves approximately 292,000 electric customers and about 70,000 natural gas customers.

Stray Voltage Testing Program

Central Hudson's program to test all of its facilities for the presence of stray voltage began in the first quarter of 2005 in response to the PSC's Order Instituting Safety Standards (issued January, 2005).

Central Hudson began responding immediately to the initial order by mobilizing required resources to address the new testing program. The stray voltage testing program was a new program, which required significant effort to develop and implement. A dedicated project manager was assigned to this program. Initial testing and training procedures and protocols were developed. Data collection and processing criteria were established. Training programs were developed and implemented. QA/QC measures were prepared and implemented and resources were allocated to achieve these criteria. Manpower resources were obtained and trained, and contracts with vendors were finalized. Hardware required for data collection and stray voltage testing were specified and purchased as needed to outfit both the contractors and Central Hudson personnel. By May of 2005, field-testing and reporting activities had begun.

The stray voltage testing program requires that all facilities which are publicly accessible and capable of conducting electricity be tested and that any detected presence of stray voltage over 8 volts be immediately made safe with respect to public exposure and that permanent repairs be made within 45 days. Central Hudson has chosen to evaluate any voltages found and mitigate any that equal or exceed 4.5 volts.

Facility Inspection Program

Central Hudson's facility inspection program has been in place for many years. The Order Instituting Safety Standards also detailed the requirements of facility inspections. All of Central Hudson's facility inspection activities comply with the minimum requirements set forth in the standards. The purpose of the inspections is to visually evaluate the equipment associated with overhead distribution, transmission facilities, and underground distribution facilities. Prior to the Order, Central Hudson had in place a comprehensive inspection program that in many cases exceeded the minimum requirements set forth in the standards.

The facility inspection program parallels the stray voltage program in that many of the steps in the process are similar. Data collection and processing criteria are in place. QA/QC measures were prepared and implemented. Both Central Hudson

personnel and contractors supplied manpower resources. Existing hardware was utilized for data collection of facility inspections. Data collection is facilitated electronically through the use of handheld computers (PDAs) and mainframe based data management systems.

Inspection frequency for transmission structures is based on a five-year cycle. Overhead and underground distribution facilities are set at a three-year inspection cycle.

Structure Categories

Central Hudson Gas and Electric has approximately 235,000 individual facilities that require testing for the presence of stray voltage and in some cases facility inspection. These facilities are broken down into five main categories including:

- **Distribution Overhead** - wooden poles, guy wires, metallic risers, and all attached devices that are accessible from the ground
- **Underground Facilities** - manholes, pull boxes, URD pad-mounted equipment, and all devices associated with underground facilities
- **Street lights and Traffic Signals** - metal poles supporting these devices, handholds, and all attachments including guys and support poles
- **Substation Fencing** - gates, support posts, grounding wires, and the fencing
- **Transmission Structures** - all structures, guys, and down leads attached to the structures. Transmission structures support circuit voltages of 69 kilovolts and greater. Facilities that house circuits of lower voltage in addition to the transmission voltage levels are included in this category.

Distribution Overhead

There are approximately 205,870 distribution pole structures in Central Hudson's territory. These consist of primarily wooden poles. The poles support electric power distribution lines and equipment as well as telephone, cablevision and other miscellaneous attachments. Those distribution structures that have ground wires, metallic risers, guy wires, or metal control boxes are required to be tested for stray voltage as part of the program. Distribution overhead facilities are tested for stray voltage and inspected.

Underground Facilities

There are 1,220 system manholes and pull boxes as well as 12,508 URD pad-mounted devices on Central Hudson's system. The manholes and pull boxes are primarily located in Central Hudson's network areas. Pull boxes are typically provided with a concrete cover in a cast iron frame. Manholes are covered with a cast iron cover,

steel grating, or reinforced concrete cover. The pad-mounted devices are associated with our URD (Underground Residential Distribution) system. The pad-mounted devices are installed on concrete or fiberglass bases and are themselves enclosed in metallic or fiberglass cabinets. These locations are included in both the stray voltage and facility inspection programs.

Street Lights/Traffic Signals

There are 5,463 metal pole street lights and 811 traffic signals within Central Hudson's service territory. This total includes metal pole street lights owned by Central Hudson with the balance of the equipment owned by various municipalities. A majority of the lights are located in higher population areas including cities, apartment complexes and parks. Local municipalities and the Department of Transportation provided the total count for these facilities. Central Hudson's Marketing Division then worked with the municipalities to compile a complete inventory of the municipal equipment. All testing of street lights occurred at night while the fixtures were energized. Area and street lighting that is privately owned was not included in this stray voltage testing program as per the initial Order's requirements.

Substation Fences

Central Hudson operates and maintains substation facilities that are necessary for the operation of the electric grid. These stations are fenced in for security as well as to protect the safety of the general public. There are 107 substation fences that were tested.

Transmission

Transmission facilities consist of all overhead transmission towers and pole structures with operating voltages of 69 kV or higher. There are a total of 8,594 individual transmission poles/towers in Central Hudson's system. Transmission structures that are either metallic or wood and have down grounds, guys, or riser pipes were tested for stray voltage as part of this program. All transmission structures are field inspected as part of Central Hudson's facility inspection program.

III. Details of Stray Voltage Testing

Central Hudson's testing procedures consist of having trained and qualified employees and contractors, equipped with safety and work equipment, performing field data collection activities. Each facility is visited and if necessary tested for the presence of stray voltage. All testing data is entered, under field conditions, into handheld computers (PDAs). The data is then uploaded daily and stored for future processing. If stray voltage is found to be present by using the initial testing (HD Electric – LV-S-5 Direct Contact Low Voltage Detector) probe, a specific voltage reading is then required to be taken using a standard (Fluke Model 177) voltmeter with a 500 Ohm shunt resistor. If the voltage is above 8 Volts (PSC Order established action threshold level) then the facility must be immediately made safe with respect to public exposure. Central Hudson mitigates all voltages above 4.5 Volts. Retesting to ensure that the stray voltage has been eliminated is conducted for all locations found to initially have stray voltage present.

All activities associated with the stray voltage testing program were performed in accordance with Central Hudson's published procedures and protocols. The testing program included personnel training, testing and certification, field detection testing, data collection, processing and reporting, engineering review and analysis, field remedial and repair activities, and retesting of repaired facilities. The results of the field-testing program are summarized and detailed on the attached report (Attachment A). These results are presented in the same format as the standard monthly progress reports to the Public Service Commission.

Test result data was broken down into several major areas including test identification, actual stray voltage test results and exceptions. The test identification data record included identification of the date, time and GPS location of each test. The ID number of the employee taking the test and the data collection device (PDA) used to store that data were also recorded.

The actual test results included whether a test was required (was there the presence of a device that could be energized such as a ground wire or guy), was the test performed, was a voltage reading detected, what was that voltage level and where was the voltage detected.

Other data was collected in addition to the required stray voltage test. This included items such as is the device considered "off road", was a pole identification tag present, and was a safety reflector installed. Actual results of the testing activities were recorded in the five device categories.

Exceptions noted in the field included: inaccessible facilities, facilities not found, and voltage detected above the threshold levels. Inaccessible structures were structures that were found in the field but were not able to be tested because of an existing field condition. These conditions included facilities in water or swampy areas, facilities on private property and within fences, walls or other buildings, paved over

facilities, and terrain or other conditions that pose immediate personal hazard to the individual performing the test.

The contractors were required to make two attempts to locate facilities identified as "Not Found". Two initial field-testing attempts were conducted to find listed facilities in the field. As a final review, Central Hudson personnel or employees then further researched facilities still identified as "Not Found" to determine if those facilities in fact do not exist.

Distribution Poles

The distribution pole testing program began December 22, 2006 and was completed prior to November 30, 2007. A total of 205,870 distribution poles were visited. The testing found a total of six incidents of stray voltage readings over Central Hudson's 4.5 Volt threshold. Two of these six instances were over the 8.0 Volt threshold set by the Order. One contractor performed all of the testing for distribution overhead facilities.

Underground Facilities

Testing activities of the underground facilities began December 22, 2006 and were completed prior to November 30, 2007. Underground facilities were broken down into two categories: manholes and pull boxes (non-URD facilities) and pad-mounted devices. The manholes and pull boxes were tested using Central Hudson personnel. There were no incidents of stray voltage above the 4.5-volt threshold detected on these facilities.

The pad-mounted devices are associated with our URD facilities. All of the 12,508 devices were tested in 2007. There were no incidents of stray voltage above the 4.5-volt threshold detected on the URD facilities. One contractor was in charge of performing stray voltage testing on all of the pad-mounted devices.

Street Lights / Traffic Signals

All testing of metal pole street lights occurred at night while the fixtures were energized and the lights were illuminated. A total of 5,463 metal pole street lights were tested during the 2007 cycle. Four incidents of stray voltage occurred over the 8 Volt threshold established by the PSC Order with voltage. One contractor performed the testing of the street lights.

All of the 811 traffic signals in the Central Hudson service territory were tested for stray voltage this year. There were no instances of recorded stray voltage on the traffic signal equipment. One contractor performed the testing of the street lights.

Substation Fencing

All substation fences were tested in 2007. Central Hudson personnel performed the testing on the 107 facilities were tested in 2007. There were no occurrences of stray voltage above the 4.5 Volt threshold detected on these facilities.

Transmission

Transmission structure testing and facility inspection began October 16, 2006 and was completed on October 10, 2007. Stray voltage testing began in October 2006 since facility inspections were started at this time to coincide with edge work trimming. A total of 8,594 structures were visited. Of this total number, three locations were found to have voltage above 4.5-volt threshold, with two locations above the 8.0 voltage level. Two contractors were utilized for testing all of Central Hudson's transmission structures.

IV. Details of Facility Inspections

Central Hudson's electric inspection program fully complies with or exceeds the standards established in the Commission's Order. The inspection program in many cases is more stringent than the requirements set forth in the Order.

The purpose of Central Hudson's facility inspection program is to visually evaluate equipment and verify that it is in safe, operational, and reliable condition. This inspection program is on-going and has in place a reporting and documenting procedure that allows for any observed deficiencies to be recorded and prioritized for timely repair. Central Hudson performed physical inspections of the following facilities:

Distribution Overhead
URD – Pad-Mounted equipment
Underground – Manholes / Pull Boxes
Transmission Overhead

Conditions found in the field as part of the inspections are categorized into specific areas relative to each facility type. Each condition finding is given a rating code that allows Central Hudson to prioritize any corrective action required. The priority ratings range from 0 to 6 with six being the most urgent. Categories 0 and 1 are not included in the tabulated results found in this report since these are record discrepancies and insignificant items. For 2007, the Severity 6 Condition was introduced to better prioritize emergency conditions requiring immediate response. A description of each priority rating is as follows.

Table of Severity Ratings

Severity Rating	Description	Time Frame for Repair (effective 2007)
0	Record Discrepancy	N/A
1	Insignificant (No Action Required)	N/A
2	Very Minor (No Action Needed at this Time)	N/A
3	Monitor for Future Action	N/A
4	Serious Condition (May Cause an Interruption of Service or Problem in the Future)	Within 18 months after validation*
5	Critical Condition (Likely to Cause and Interruption)	Within 12 months after validation*
6	Immediate Response Condition (Immediate Threat to Life, Property, or Interruption of Service)	Within 24 Hours

* The process of validation can take up to six months from when the condition is reported by the inspector. Validation is completed when a qualified Central Hudson representative has gone to a location to confirm the condition identified and determine what kind of repairs are needed at the facility.

2007 Changes in Scheduling for Inspections

For the 2007 inspection program cycle (December 01, 2006 through November 30, 2007), there were some changes to Central Hudson's inspection philosophy. Instead of cycling through circuits in different geographic areas, inspections are concentrated in the same geographic area now. This is a more efficient method of utilizing the inspection teams. As a result of this change, some poles and pad-mounted equipment that were inspected in 2005 and 2006 were inspected again in 2007. Even though there will be repeated visits, 100% of the overhead distribution system and pad-mounted equipment will be inspected by the end of the 2009 stray testing/facility inspection cycle. This falls within the five year time period required by the Order. Below are tables outlining the planned inspections between 2007 and 2009.

2007-2009 Planned Inspections – Distribution Overhead

Inspection Year	Geographic Area (District)	System Percentage of Poles per Year (approx.)	Cumulative Total
2007	Poughkeepsie, Fishkill	35.2%	35.7%
2008	Catskill, Newburgh	38%	73.2%
2009	Kingston	26.8%	100%

2007-2009 Planned Inspections – Pad-mounted Equipment

Inspection Year	Geographic Area (District)	System Percentage of Pads per Year (approx.)	Cumulative Total
2007	Poughkeepsie, Fishkill	44.72%	44.72%
2008	Catskill, Newburgh	38.25%	82.97%
2009	Kingston	17.03%	100%

By requiring more highly skilled stray voltage test technicians with extra training in the contract, a stray voltage test and inspection can be performed at the same time for each overhead distribution and pad-mounted structure that they visit. Inspectors were instructed to be conservative and report anything that looked questionable. Once again, this is a more efficient utilization of available resources.

Also new in 2007, Central Hudson is performing a walking inspection on the distribution overhead facilities. In the previous years, a driving inspection was performed on designated circuits throughout the service territory.

Distribution Overhead

In 2007, a total of 72,395 distribution poles were inspected (35.17% of the system). 20,375 poles had at least one deficiency with a rating of 2 or higher (28.14% of inspected poles). There were a total of 25,370 validated deficiencies of Severity 2 or higher. Please note that a pole can have two or more conditions, such as a leaning pole with a broken guy. Therefore, there is no direct correlation between the number of conditions reported and number of poles requiring attention in the Central Hudson service territory.

Inspections Per Year – Distribution Overhead

Inspection Year	Number of Poles Inspected
2005	75,685
2006	83,918
2007*	72,395

* Note: Due to change in inspection philosophy, some poles inspected in 2005 and 2006 were re-inspected in 2007.

The priority ratings associated with the conditions found in the field during the 2007 inspections are tabulated below.

Breakdown of Priority of Conditions Validated in 2007 – Distribution Overhead

Priority Rating	Number of Occurrences	% Of Conditions Found
2	16,599 (16,598 Guy Guards)*	65.44%
3	868	3.42%
4	7,673 (6,969 Trimming)	30.24%
5	209 (136 Trimming)	0.82%
6	21	0.08%

* Note: Further verification needs to be performed on these guy guards. Some of these missing guy guards are the responsibility of communications companies.

The following three pages present the details of the overhead distribution inspections for each year between 2005 and 2007.

2005 Overhead Distribution Poles Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Conductor																						
Damaged Neutral							2	1		1									2	1	0	1
Damaged Primary																			0	0	0	0
Damaged Secondary							1	1		0									1	1	0	0
Insufficient Clearance							2	2		0									2	2	0	0
Phase Wire Off Pin											3	2		1					3	2	0	1
Phase Wire on Ground																			0	0	0	0
Slack in Neutral							1	1		0									1	1	0	0
Slack in Primary							1			1									1	0	0	1
Slack in Secondary							1	1		0									1	1	0	0
Tie Wire Broken																			0	0	0	0
Equipment																						
Broken Guy							77	67		10									77	67	0	10
Cut Out Broken																			0	0	0	0
C-Clamp or Brown Cutout							11	9		2									11	9	0	2
Down Ground				60	60	0													60	60	0	0
Ground Moulding Broken																			0	0	0	0
Hardware L.A. Broken/Blown							2	1		1									2	1	0	1
Insulator							13	6		7									13	6	0	7
No Guy Guard	5	5	0																5	5	0	0
Rotten Xarm							39	25		14									39	25	0	14
Xarm Brace Broken							9	5		4									9	5	0	4
Xarm Broken											29	16		13					29	16	0	13
Pole																						
Evidence of Flashover							7	4		3									7	4	0	3
Pole Broken											50	31		19					50	31	0	19
Pole Leaning							111	47		64									111	47	0	64
Pole Rotten							104	59		45									104	59	0	45
Washed out							3	1		2									3	1	0	2
Woodpecker Holes				17	13	4													17	13	0	4
Transformer																						
Bushing Broken																			0	0	0	0
L.A. Broken/Blown																			0	0	0	0
Leaking Transformer							19	11		8									19	11	0	8
Red Light							13	13		0									13	13	0	0
Transformer Other																			0	0	0	0
Trimming																						
Danger Tree							3	3		0									3	3	0	0
Limb/Tree											23	19		4					23	19	0	4
Needs Trimming							680	670		10									680	670	0	10
Vines							526	525		1									526	525	1	1
Other																						
Construction Under Line																			0	0	0	0
Municipal Attachment				1		1													1	0	0	1
Other	10	10	0	221	201	20	20	18		2									251	229	0	22
Overall Totals	15	15	0	299	274	25	1645	1470	1	175	105	68	0	37	0	0	0	0	2064	1827	1	237

2006 Overhead Distribution Poles Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Conductor																						
Damaged Neutral																			0	0	0	0
Damaged Primary																			0	0	0	0
Damaged Secondary																			0	0	0	0
Insufficient Clearance							2	2		0									2	2	0	0
Phase Wire Off Pin											3	3							3	3	0	0
Phase Wire on Ground											2	2							2	2	0	0
Slack in Neutral							1	1	1	0									1	1	1	0
Slack in Primary							1	1	1	0									1	1	1	0
Slack in Secondary							1	1	1	0									1	1	1	0
Tie Wire Broken																			0	0	0	0
Equipment																						
Broken Guy							37	34		3									37	34	0	3
Cut Out Broken																			0	0	0	0
C-Clamp or Brown Cutout							9	9		0									9	9	0	0
Down Ground				13	13	0													13	13	0	0
Ground Moulding Broken																			0	0	0	0
Hardware L.A. Broken/Blown																			0	0	0	0
Insulator							1			1									1	0	0	1
No Guy Guard																			0	0	0	0
Rotten Xarm							13	12	1	1									13	12	1	1
Xarm Brace Broken							3			3									3	0	0	3
Xarm Broken											7	6		1					7	6	0	1
Pole																						
Evidence of Flashover																			0	0	0	0
Pole Broken											6	6	2	0					6	6	2	0
Pole Leaning							25	6		19									25	6	0	19
Pole Rotten							8	8		0									8	8	0	0
Washed out							1			1									1	0	0	1
Woodpecker Holes				5	3	2													5	3	0	2
Transformer																						
Bushing Broken																			0	0	0	0
L.A. Broken/Blown																			0	0	0	0
Leaking Transformer							7	4		3									7	4	0	3
Red Light																			0	0	0	0
Transformer Other																			0	0	0	0
Trimming																						
Danger Tree							2	2		0									2	2	0	0
Limb/Tree											3	2	1	1					3	2	1	1
Needs Trimming							146	145	4	1									146	145	4	1
Vines							89	88	25	1									89	88	25	1
Other																						
Construction Under Line																			0	0	0	0
Municipal Attachment																			0	0	0	0
Other	1	1	0	77	73	4	5	5	2	0	1	1		0				84	80	2	4	
Overall Totals	1	1	0	95	89	6	351	318	35	33	22	20	3	2	0	0	0	0	469	428	38	47

2007 Overhead Distribution Poles Inspections - Validated Work

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Validated	Closed	Left Open	Validated	Closed	Left Open	Validated	Closed	In Time Frame	Left Open	Validated	Closed	In Time Frame	Left Open	Validated	Closed	In Time Frame	Left Open	Validated	Closed	In Time Frame	Left Open
Conductor																						
Damaged Neutral																			0	0	0	0
Damaged Primary										7	2	2	5						7	2	2	5
Damaged Secondary							6	4	4	2									6	4	4	2
Insufficient Clearance							3	1	1	2	2	2	2	0	1	1	1	0	6	4	4	2
Phase Wire Off Pin										13	3	3	10	10	10	10	0	0	23	13	13	10
Phase Wire on Ground										1	1	1	0						1	1	1	0
Slack in Neutral							1	1	1	0									1	1	1	0
Slack in Primary							1	1	1	0									1	1	1	0
Slack in Secondary							5	1	1	4									5	1	1	4
Tie Wire Broken							29	4	4	25									29	4	4	25
Equipment																						
Broken Guy							389	46	46	343									389	46	46	343
Cut Out Broken											12	1	1	11					12	1	1	11
C-Clamp or Brown Cutout																			0	0	0	0
Down Ground				719	719	0													719	719	0	0
Ground Moulding Broken																			0	0	0	0
Hardware L.A. Broken/Blown							5	2	2	3									5	2	2	3
Insulator							14	3	3	11	1	1	1	0					15	4	4	11
No Guy Guard	16598	16598	0																16598	16598	0	0
Rotten Xarm							13	0	0	13									13	0	0	13
Xarm Brace Broken							5	1	1	4									5	1	1	4
Xarm Broken											3	1	1	2	2	2	2	0	5	3	3	2
Pole																						
Evidence of Flashover							1	0	0	1									1	0	0	1
Pole Broken											33	1	1	32		3	3	0	36	4	4	32
Pole Leaning							58	13	13	45									58	13	13	45
Pole Rotten							102	2	2	100									102	2	2	100
Washed out							9	0	0	9									9	0	0	9
Woodpecker Holes				91	91	0	2	0	0	2									93	91	0	2
Transformer																						
Bushing Broken							1	0	0	1									1	0	0	1
L.A. Broken/Blown							8	2	2	6									8	2	2	6
Leaking Transformer							36	1	1	35	1	1	1	0					37	2	2	35
Red Light				34	34	0	11	5	5	6									45	39	5	6
Transformer Other							5	1	1	4									5	1	1	4
Trimming																						
Danger Tree							118	17	17	101									118	17	17	101
Limb/Tree											136			136	3	3	3	0	139	3	3	136
Needs Trimming							986	133	133	853									986	133	133	853
Vines							5865	4763	4763	1102									5865	4763	4763	1102
Other																						
Construction Under Line				22	22	0													22	22	0	0
Municipal Attachment	1	1	0	2	2	0													3	3	0	0
Other															2	2	2	0	2	2	2	0
Overall Totals	16599	16599	0	868	868	0	7673	5001	5001	2672	209	13	13	196	21	21	21	0	25370	22502	5035	2868

URD – Pad-mounted Equipment

In 2007, a total of 5,594 pad-mounted transformers were inspected (44.72% of the system). 340 pad-mounted devices had at least one deficiency with a rating of 2 or higher (6.08% of inspection pad-mounted equipment). There were a total of 362 deficiencies of Severity 2 or higher. Please note that a pad-mounted device can have two or more conditions, such as a pad-mounted transformer with a missing tag and in need of a paint job. Therefore, there is no direct correlation between the number of conditions reported and number of pad-mounted devices requiring attention in the Central Hudson service territory.

Inspections Per Year – Pad-mounted Equipment

Inspection Year	Number of Pad-mounted Equipment Inspected
2005	4,904
2006	3,199
2007*	5,594

* Note: Due to change in inspection philosophy, some pad-mounted equipment inspected in 2005 and 2006 were re-inspected in 2007.

The priority ratings associated with the conditions found in the field during the 2007 inspections are tabulated below.

Breakdown of Priority of Conditions Reported in 2007 – Pad-mounted Equipment

Priority Rating	Number of Occurrences	% Of Conditions Found
2	38	10.50%
3	161	44.47%
4	42	11.60%
5	51	14.09%
6	70	19.34%

The following three pages present the details of the pad-mounted equipment inspections for each year between 2005 and 2007.

2005 Pad Mount Device Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Conductor																						
UG Dam. Neutral																			0	0	0	0
UG Dam. Primary											1	1		0					1	1	0	0
UG Dam. Secondary																			0	0	0	0
Equipment																						
UG Access Blocked							50	26	3	24									50	26	3	24
UG Bushing Broken							1			1									1	0	0	1
UG Excavation																			0	0	0	0
UG Leaking Transformer							2			2									2	0	0	2
UG Missing Lock											2	1	1	1					2	1	1	1
UG Missing Tag	4	4	0																4	4	0	0
UG Needs paint				10	10	0													10	10	0	0
UG Off Pad											14	7	6	7					14	7	6	7
UG Secure Latch, Hinge, Closure																			0	0	0	0
UG Serial Number																			0	0	0	0
UG Tracking																			0	0	0	0
UG Unsecure Latch, Hinge, Closure																			0	0	0	0
Other																						
UG Construction Activity																			0	0	0	0
UG Other	7	7	0	40	9	31	4	2	2	2									51	18	2	33
UG Traffic/Barrier																			0	0	0	0
Overall Totals	11	11	0	50	19	31	57	28	5	29	17	9	7	8	0	0	0	0	135	67	12	68

2006 Pad Mount Device Inspections Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Conductor																						
UG Dam. Neutral																			0	0	0	0
UG Dam. Primary																			0	0	0	0
UG Dam. Secondary																			0	0	0	0
Equipment																						
UG Access Blocked							71	53	53	18									71	53	53	18
UG Bushing Broken																			0	0	0	0
UG Excavation																			0	0	0	0
UG Leaking Transformer							1			1									1	0	0	1
UG Missing Lock											2	2	2	0					2	2	2	0
UG Missing Tag	1	1	0																1	1	0	0
UG Needs paint																			0	0	0	0
UG Off Pad											9	7	7	2					9	7	7	2
UG Secure Latch, Hinge, Closure											1			1					1	0	0	1
UG Serial Number																			0	0	0	0
UG Tracking																			0	0	0	0
UG Unsecure Latch, Hinge, Closure																			0	0	0	0
Other																						
UG Construction Activity																			0	0	0	0
UG Other				111	107	4													111	107	0	4
UG Traffic/Barrier																			0	0	0	0
Overall Totals	1	1	0	111	107	4	72	53	53	19	12	9	9	3	0	0	0	0	196	170	62	26

2007 Pad Mount Device Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Conductor																						
UG Dam. Neutral																			0	0	0	0
UG Dam. Primary											2								2	0	0	2
UG Dam. Secondary																			0	0	0	0
Equipment																						
UG Access Blocked							6			6									6	0	0	6
UG Bushing Broken							8			8									8	0	0	8
UG Excavation																			0	0	0	0
UG Leaking Transformer							28			28									28	0	0	28
UG Missing Lock															8	8	8	0	8	8	8	0
UG Missing Tag	35	35	0																35	35	0	0
UG Needs paint				161	161	0													161	161	0	0
UG Off Pad											29			29	44	44	44	0	73	44	44	29
UG Secure Latch, Hinge, Closure																			0	0	0	0
UG Serial Number	3	3	0																3	3	0	0
UG Tracking											17			17					17	0	0	17
UG Unsecure Latch, Hinge, Closure											3			3	14	14	14	0	17	14	14	3
Other																						
UG Construction Activity																			0	0	0	0
UG Other															4	4	4	0	4	4	4	0
UG Traffic/Barrier																			0	0	0	0
Overall Totals	38	38	0	161	161	0	42	0	0	42	51	0	0	51	70	70	70	0	362	269	70	93

Manholes and Pull Boxes

Due to the complexity of the network system and intricacies of working in manholes and pull boxes, Central Hudson personnel were utilized to perform inspections on these facilities. Central Hudson has a total of 1,220 manhole and pull boxes on its system. For 2007, 362 devices were inspected representing 29.72% of the system total.

There were 17 manholes and pull boxes with at least one deficiency with a rating of 2 or higher (4.69% of the inspected devices). There were a total of 21 deficiencies of Severity 2 or higher. Please note that a manhole or pull box can have two or more conditions, such as if there is rusting in the manhole and a cable is leaking oil. Therefore, there is no direct correlation between the number of conditions reported and number of manholes and pull boxes requiring attention in the Central Hudson service territory.

Inspections Per Year – Manholes and Pull Boxes

Inspection Year	Number of Manholes and Pull Boxes Inspected
2005	574
2006*	876
2007	362

* Note: Some manholes and pull boxes inspected in 2006 were previously inspected in 2005. The numbers for 2007 represents all of the manholes and pull boxes that were not inspected in 2005 or 2006. As of 2007, all manholes and pull boxes have been inspected in the time period between 2005 and 2007.

The priority ratings associated with the conditions found in the field during the 2007 inspections are tabulated below.

Breakdown of Priority of Conditions Reported in 2007 – Manholes and Pull Boxes

Priority Rating	Number of Occurrences	% Of Conditions Found
2	7	33.33%
3	13	61.19%
4	1	4.72%
5	0	0%
6	0	0%

The following three pages present the details of the manhole and pull box inspections for each year between 2005 and 2007.

2005 Manhole and Pull Box Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Access - Surface																						
Tripping Hazard	22	22	0	3	3	0	6	4		2	3	3	3	0					34	32	3	2
Broken Cover	1	1	0	4	4	0	25	23		2	1	1	1	0					31	29	1	2
Paved Over				4	4	0													4	4	0	0
Access - Entry																						
Access Blocked				7	7	0													7	7	0	0
Failed Entry Test																			0	0	0	0
Interior																						
Racks Not Secured	5	5	0	5	5	0	4	4	3	0									14	14	3	0
Racks Not Grounded																			0	0	0	0
I-Beam Rusting				2	2	0	4	4	0	0	1	1	1	0					7	7	1	0
Walls in Poor Condition	3	3	0	6	6	0	1	1		0	2	2	1	0					12	12	1	0
Ceiling in Poor Condition				10	10	0	2			2									12	10	0	2
Water/Mud/Debris in Manhole							7	7		0									7	7	0	0
Cable																						
Oil Leak																			0	0	0	0
Fireproofing Inadequate	2	2	0																2	2	0	0
Sleeve Collapsing																			0	0	0	0
Cable Chaffing							1	1		0									1	1	0	0
Cable Not Identified																			0	0	0	0
Cable Arcing/Buzzing/Tracking																			0	0	0	0
Insulation Deterioration or Damage	3	3	0	4	4	0	11	8		3	1	1	1	0					19	16	1	3
Equipment																						
Oil Leak																			0	0	0	0
Broken or Cracked Bushing																			0	0	0	0
Needs Paint							1	1		0									1	1	0	0
Rusting	1	1	0				10	8	3	2									11	9	3	2
Access Blocked																			0	0	0	0
Not Operable				1	1	0	1	1		0									2	2	0	0
Grounds Broken or Detached																			0	0	0	0
Identification/Label/Sign(s)																			0	0	0	0
Other																						
Construction Activity																			0	0	0	0
Cannot Locate	14	13	1																14	13	0	1
Proximity to Traffic																			0	0	0	0
Other	4	4	0	32	32	0	26	23		3									62	59	0	3
Overall Totals	55	54	1	78	78	0	99	85	6	14	8	8	7	0	0	0	0	0	240	225	13	15

2006 Manhole and Pull Box Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Surface																						
Tripping Hazard	4	3	1								1	1	1	0					5	4	1	1
Broken Cover				12	10	2					1	1	1	0					13	11	1	2
Paved Over				9	8	1													9	8	0	1
Entry																						
Access Blocked				2	2	0													2	2	0	0
Failed Entry Test							2	2	1	0									2	2	1	0
Interior																						
Racks Not Secured	2	2	0																2	2	0	0
Racks Not Grounded																			0	0	0	0
I-Beam Rusting				4	3	1	1	1	0		2	1	1	1					7	5	1	2
Walls in Poor Condition				2	1	1													2	1	0	1
Ceiling in Poor Condition																			0	0	0	0
Water/Mud/Debris in Manhole				6	6	0													6	6	0	0
Cable																						
Oil Leak																			0	0	0	0
Fireproofing Inadequate	12	12	0	35	35	0													47	47	0	0
Sleeve Collapsing																			0	0	0	0
Cable Chaffing																			0	0	0	0
Cable Not Identified				15	15	0													15	15	0	0
Cable Arcing/Buzzing/Tracking											1	1	1	0					1	1	1	0
Insulation Deterioration or Damage																			0	0	0	0
Equipment																						
Oil Leak																			0	0	0	0
Broken or Cracked Bushing																			0	0	0	0
Needs Paint	1	1	0				1	1	0										2	2	0	0
Rusting	1	1	0				1	1	0		4	3	3	1					6	5	3	1
Access Blocked																			0	0	0	0
Not Operable							1	1	0										1	1	0	0
Grounds Broken or Detached																			0	0	0	0
Identification/Label/Sign(s)																			0	0	0	0
Other																						
Construction Activity																			0	0	0	0
Cannot Locate	57	57	0																57	57	0	0
Proximity to Traffic																			0	0	0	0
Other				34	31	3													34	31	0	3
Overall Totals	77	76	1	119	111	8	6	6	1	0	9	7	7	2	0	0	0	0	211	200	8	11

2007 Manhole and Pull Box Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Surface																						
Tripping Hazard																			0	0	0	0
Broken Cover																			0	0	0	0
Paved Over																			0	0	0	0
Entry																						
Access Blocked																			0	0	0	0
Failed Entry Test																			0	0	0	0
Interior																						
Racks Not Secured																			0	0	0	0
Racks Not Grounded																			0	0	0	0
I-Beam Rusting																			0	0	0	0
Walls in Poor Condition																			0	0	0	0
Ceiling in Poor Condition																			0	0	0	0
Water/Mud/Debris in Manhole																			0	0	0	0
Cable																						
Oil Leak				5	5	0													5	5	0	0
Fireproofing Inadequate	3	3	0	1	1	0													4	4	0	0
Sleeve Collapsing																			0	0	0	0
Cable Chaffing																			0	0	0	0
Cable Not Identified	1	1	0																1	1	0	0
Cable Arcing/Buzzing/Tracking																			0	0	0	0
Insulation Deterioration or Damage																			0	0	0	0
Equipment																						
Oil Leak				1	1	0													1	1	0	0
Broken or Cracked Bushing																			0	0	0	0
Needs Paint																			0	0	0	0
Rusting	3	3	0																3	3	0	0
Access Blocked																			0	0	0	0
Not Operable				1	1	0													1	1	0	0
Grounds Broken or Detached																			0	0	0	0
Identification/Label/Sign(s)																			0	0	0	0
Other																						
Construction Activity																			0	0	0	0
Cannot Locate																			0	0	0	0
Proximity to Traffic																			0	0	0	0
Other				5	5	0	1			1									6	0	0	6
Overall Totals	7	7	0	13	8	5	1	0	0	1	0	0	0	0	0	0	0	21	15	0	6	

Transmission

The stray voltage testing for transmission structures was conducted in conjunction with the facilities inspection activities. Contractors performed all inspection and stray voltage testing activities. Field inspections began on October 16, 2006 and continued until September 5, 2007. 1,600 individual poles or towers were inspected (18.62% of the system).

There were 10 transmission structures with at least one deficiency with a rating of 2 or higher (0.63% of the inspected locations). There were a total of 20 deficiencies of Severity 2 or higher. Please note that a transmission structure can have two or more conditions, such as there is a broken insulator and rotten spar arm. Therefore, there is no direct correlation between the number of conditions reported and number of transmission structures requiring attention in the Central Hudson service territory.

Inspections Per Year – Transmission Structures

Inspection Year	Number of Transmission Structures Inspected
2005*	3,235
2006*	6,112
2007*	1,600

* Note: Between the 2005 and 2006 inspection cycles, 100% of Central Hudson's transmission system was inspected. In 2007 and subsequent years, 20% of the system will be tested each year. The critical lines (345 kV transmission lines) are inspected every year.

The priority ratings associated with the conditions found in the field during the 2007 inspections are tabulated below.

Breakdown of Priority of Conditions Reported in 2007 – Transmission Structures

Priority Rating	Number of Occurrences	% Of Conditions Found
2	2	10%
3	1	5%
4	17	85%
5	0	0%
6	0	0%

The following three pages present the details of the transmission inspections for each year between 2005 and 2007.

2005 Transmission Structure Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Conductor	1	0	1	8	0	8	1	4	4	0	0	2	2						10	6	6	4
Guy Wire	37	0	37	404	0	404	7	7	7	0									44	7	7	37
Foundations	14	0	14	40	0	40	0	1	1										14	1	1	0
Hardware	27	0	27	46	0	46	0	7	7										27	7	7	0
Insulators	24	0	24	40	0	40	13	15	15	0	3	3	3	0					40	18	18	22
Components	58	0	58	64	0	64	6	7	7	0									64	7	7	57
Poles	493	0	493	238	0	238	67	56	56	11	3	4	4	0					563	60	60	503
ROW	7	0	7	19	0	19	1	10	10	0	0	1	1						8	11	11	0
Miscellaneous	31	0	31	33	0	33	23	2	2	21									87	2	2	85
Overall Totals	692	0	692	892	0	892	118	109	109	9	6	10	10	0	0	0	0	0	1708	119	119	1589

2006 Transmission Structure Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Conductor																			0	0	0	0
Guy Wire	20	0	20	11	11	0	2	4	4	0									22	15	4	7
Foundations				2	0	2	6	7	7	0									6	7	7	0
Hardware				2	2	0													0	2	0	0
Insulators	276	0	276	31	18	13													276	18	0	0
Components	31	0	31	18	0	18	2	2	2	0									33	2	2	31
Poles	169	0	169	116	62	54	28	24	24	4									197	86	24	111
ROW	6	0	6	12	5	7													6	5	0	0
Miscellaneous	150	0	150	19	0	19													169	0	0	0
Overall Totals	652	0	652	211	98	113	38	37	37	1	0	0	0	0	0	0	0	0	901	135	37	766

2007 Transmission Structure Inspections

Condition	Severity 2			Severity 3			Severity 4				Severity 5				Severity 6				Totals			
	Reported	Closed	Left Open	Reported	Closed	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open	Reported	Closed	In Time Frame	Left Open
Conductor																			0	0	0	0
Guy Wire																			0	0	0	0
Foundations																			0	0	0	0
Hardware																			0	0	0	0
Insulators																			0	0	0	0
Components							5	0	5										5	0	0	5
Poles																			0	0	0	0
ROW	1	0	1				12	0	12										13	0	0	13
Miscellaneous	1	0	1	1	0	1													2	0	0	2
Overall Totals	2	0	2	1	0	1	17	0	0	17	0	0	0	0	0	0	0	0	20	0	0	20

* Severity 2 and Severity 3 conditions are not part of the yearly comprehensive repairs. These are monitored conditions.

**2007 Inspections will be part of the 2008 High Priority Replacement Program

***In the case where there were more conditions closed than reported: Additional work was identified in the field and not part of the original project scope

Repair Process and Scheduling – General Procedure

As of 2007, the repair process for deficiencies reported by the field inspectors is a multi-step process. After receiving the information from the field inspectors, the information is entered and uploaded into the appropriate database. Any location with a severity 3 or less will be kept on record and monitored as necessary. After receiving the list of repairs with a severity 4 or 5 condition, a qualified Central Hudson representative will go to each location to validate the condition identified and determine what kind of repairs are needed at the facility. This process of validation can take up to six months from when the condition is reported by the inspector. Severity 6 Conditions fall outside of this process and are repaired or made safe immediately in order to prevent an outage, damage to property, or injury.

If a repair is warranted at a location, then either a dispatch order will be opened or a work order will need to be created. After the work order or dispatch order is created, the repairs can be scheduled. Repairs are scheduled based on severity and concentration in a geographic area. Resources are utilized to maximize the amount of repairs completed in a given area or district.

Overhead Distribution Repairs Details

Work orders are required to be drawn up by estimators for repairs involving units of property (pole replacements and anchor replacements). Dispatch orders can be used to initiate the repair on minor items (broken guys, broken cross arms, etc.).

While inspectors are out in the field, they can trim vines off of poles that they come across. If there is a trimming repair that cannot be fixed by the inspector, then that issue will be forwarded to the line clearance department for validation and follow-up.

Pad-mounted Devices Details

Work orders are required to be drawn up by estimators for repairs involving units of property (such as pad replacements), while dispatch orders can be used to initiate the repair on minor items (moving a transformer back onto a pedestal).

Manholes and Pull Boxes Details

Work orders are required to be drawn up by estimators for repairs involving units of property, while dispatch orders can be used to initiate the repair on minor items. If the project is a large-scale project such as a one involving the integrity of the transformer or a physical structure change, then engineering will get involved in the work order.

Repair Process and Scheduling – Transmission Structures

For validation of Severity 4 and 5 conditions, an engineer and a Central Hudson foreman will perform the field review. After the field review is completed, the priority of each line is considered. Considerations include line voltage, whether or not the line is a radial or loop feed, and when a line outage is available. There are certain times of the year a line can't be taken out of service, which also impacts the prioritization of line repairs. Scheduling repair work is a process involving the correlation of required work to the outage schedule along with considering material availability.

V. Annual Performance Targets

Central Hudson performed the required stray voltage testing and facilities inspections in accordance with all performance guidelines and requirements as set forth in the Order.

The targets for all equipment categories within the Stray Voltage Testing Program have been met for the period ending November 30, 2007. The results are summarized in the table below. These results are in accordance with the certification included in Section VI of the Order. Therefore no performance penalties were incurred.

Stray Voltage Testing Program Results

Category	PSC Order Requirement	Actual Tested – 2007
Distribution Poles URD – Pad-mounted Transmission Structures	100%	100%
Manholes and Pull Boxes	100%	100%
Street lights / Traffic Signals	100%	100%
Substation Fences	100%	100%

The targets for all equipment categories within the Facility Inspection Program have been met for the period ending November 30, 2007. The results are summarized in the table below. These results are in accordance with the certification included in Section VI of the Order. Therefore no performance penalties were incurred.

Facility Inspection Program Results

Category	PSC Order Requirement	Actual Inspected 2007
Distribution Overhead	19%	35.17%
URD Pad-mounted	19%	44.72%
Manholes/Pull Boxes	19%	29.72%
Transmission	19%	21.63%*

* Note: Between the 2005 and 2006 inspection cycles, 100% of Central Hudson's transmission system was inspected, meeting the PSC requirement of 100% of the system inspected within five years.

VI. Certifications

Pursuant to Section 7 of Appendix A of the Electric Safety Standards, the president or officer of each Utility with direct responsibility for overseeing stray voltage testing and facility inspections shall provide annual certification to the Commission that the utility has, to the best of their knowledge, exercised due diligence in carrying out a plan, including quality assurance, that is designed to meet the stray voltage testing and inspection requirements and that the utility has:

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

Following are the Stray Voltage Testing and Facility Inspection Certifications for Central Hudson Gas and Electric Corporation.

CERTIFICATION
[STRAY VOLTAGE TESTING]

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

Paul E. Haering, on this 11th day of January 2008, certifies as follows:

1. I am the Vice President, Engineering and Environmental Services of Central Hudson Gas and Electric Corporation (the “Company”), and in that capacity I make this Certification for the annual period ending November 30th, 2007 based on my knowledge of the testing program adopted by the Company in accordance the Public Service Commission’s Orders issued and effective January 5, and July 21, 2005 in Case 04-M-0159 (the “Orders”), including the Quality Assurance Program filed by the Company with the Commission.
2. In accordance with the requirements of the Orders, the Company developed a program designed to test (i) all of the publicly accessible Electric Facilities owned by the Company (“Facilities”) and (ii) all Street lights located in public thoroughfares in the Company’s service territory (“Street lights”), as identified through a good faith effort by the Company, for stray voltage (the “Stray Voltage Testing Program”).
3. I am responsible for overseeing the Company’s Stray Voltage Testing Program and in that capacity I have monitored the Company’s Stray Voltage Testing Program during the twelve months ended November 30th, 2007 (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 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, and transmission facilities for which the twelve month period ended on October 15, 2007, the Company is unaware of any Facilities or Street lights 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 Street lights 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 Street lights were known to exist or reasonably expected to be found.

Sworn to before me this ___ day of January, 2008

Notary Public:

[This page intentionally left blank]

CERTIFICATION
[FACILITY INSPECTIONS]

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

Paul E. Haering, on this 11th day of January 2008, certifies as follows:

1. I am the Vice President, Engineering and Environmental Services of Central Hudson Gas and Electric Corporation (the “Company”), and in that capacity I make this Certification for the annual period ending November 30th, 2007 based on my knowledge of the inspection program adopted by the Company in accordance the Public Service Commission’s Orders issued and effective January 5, and July 21, 2005 in Case 04-M-0159 (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 November 30th, 2007 (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 19 % of its Facilities during the year 2007, in order to comply with the five-year inspection cycle required under the Order.

Sworn to before me this ___ day of January, 2008

Notary Public:

VII. Analysis

Distribution Overhead

The 2007 stray voltage testing program for distribution overhead facilities was completed prior to November 30, 2007. Of the 205,870 locations visited, 158,473 locations required stray voltage testing. A total of four locations were found with readings of stray voltage above 4.5 volts, but below the PSC action level of 8.0 volts. Two additional locations were found to have voltage above the PSC action level of 8.0 volts. This yields a failure rate of 0.001% above the PSC action level. Below is a table of the overhead distribution poles that were found to have over voltage readings above 4.5 Volts.

Distribution Poles with over 4.5 Volt Reading

Structure	Date	Voltage (Location)	Mitigation
N46761	3/15/2007	6.7 V (Riser)	Damaged customer owned riser cable. Repaired in Field.
P46079	4/11/2007	6.3 V (Ground)	Broken ground repaired by Central Hudson
N17667	5/29/2007	10.17 V (Ground)	Loose ground repaired by Central Hudson.
K45110	6/28/2007	6.5 V (Ground)	Down ground voltage eliminated.
K32740	7/19/2007	6.5 V (Ground)	Down Ground repaired by Central Hudson.
103916	7/26/2007	20 V (Other)	Outlet was attached on pole. Has been removed.

URD Pad-mounted Equipment

There were no occurrences of stray voltage detected on the pad-mounted facilities. This equates to a failure rate of 0.00% above the PSC action level.

Manholes / Pull Boxes

There were no occurrences of stray voltage detected on the manholes and pull boxes for the 2007 testing cycle. This equates to a failure rate of 0.00% above the PSC action level.

Street lights / Traffic Signals

For the 2007 stray voltage testing cycle, a total of four municipally owned locations were found to contain stray voltage above the 4.5-volt level. All four of these locations had voltage levels above the 8.0-volt action threshold. This equates to a rate of 0.07% above the PSC action level.

All of the locations where stray voltage was found in 2007 were owned and maintained by municipalities or entities other than Central Hudson. Accordingly Central Hudson's response to the incidents of detected stray voltage was to make the facility safe. This can include disconnecting the power feed and notifying the entity responsible for maintenance of the street light. Follow-up activities on the part of Central Hudson included contact letters to the appropriate municipalities requesting status of the repairs and indicating the requirement for Central Hudson to retest these facilities after they have been repaired. Below is a table of the metal pole street lights that were found to have over voltage readings above 4.5 Volts.

Metal Street Light Poles with over 4.5 Volt Reading

Structure	Date	Voltage (Location)	Mitigation
C513203073	7/19/2007	48 V (Pole)	Electric bug fixed by Central Hudson.
C513003548	7/26/2007	17 V (Pole)	Connections repaired in the pole.
C513003136	8/22/2007	70.2 V (Pole)	Moved neutral wire off pole.
C513003381	8/22/2007	18.95 V (Pole)	Pulled fuses and city made repair.

There were no incidents of stray voltage detected on the 811 traffic signal locations tested. This equates to a failure rate of 0.00% above the PSC action level.

Substation Fences

There were no incidents of stray voltage detected on the 107 substation fences tested in 2007. This equates to a failure rate of 0.00% above the PSC action level.

Transmission Structures

A total of 8,594 transmission line structures were visited. A total of three incidents of stray voltage were detected above 4.5 Volts, with two above the PSC action level of 8.0 Volts. This equates to a failure rate of 0.03% above the PSC action level.

All three structures were located in the same right of way and on the same transmission line. Corrective action plans were recommended and implemented. These corrective actions included improved bonding of static wires at the structures to allow for continuity of circuitry and installation of ground moulding around the down ground to prevent physical contact. It has been determined by engineering that the stray voltage present is due to electromagnetic inductance from the nearby non Central Hudson owned 345 kV line which has a segmented ground design versus the Central Hudson standard continuous ground design. Below is a table of the transmission structures that were found to have over voltage readings above 4.5 Volts.

Transmission Structures with over 4.5 Volt Reading

Structure	Date	Voltage (Location)	Mitigation
55671	9/5/2007	7.07 V (Ground)	New ground wire and ground moulding installed around down ground.
55693	9/5/2007	17.94 V (Ground)	New ground wire and ground moulding installed around down ground.
55694	9/5/2007	8.00 V (Ground)	New ground wire and ground moulding installed around down ground.

VIII. Other Pertinent Information

QA/QC program

Central Hudson has implemented a QA/QC program utilizing an external auditor that is used to review the effectiveness and accuracy of the stray voltage testing and facility inspection programs and their associated activities. This program resulted in specific improvements to the various processes, which have contributed toward increased program efficiency and accuracy as well as reduced potential for error. The QA/QC program called for several types of audits and for constant feedback with respect to the data collection and processing. The various audits covered personnel training, field testing and inspection procedures and practices, testing and inspection records, and field trailing audits.

For 2007, there have been four audits of field-testing and inspection activities, one audit of the training records and initial training, two audits of actual test data records. In addition, a comprehensive year-end audit for the 2007 records is underway. The completed audits indicated that all significant activities associated with the stray voltage testing and facilities inspection programs are being conducted in accordance with established protocols. The audit's findings resulted in no issues that required formal remedial action plans.

As a result of the audit review process several areas of opportunity were identified. These opportunities lead to minor changes that were implemented immediately or are currently being implemented. Opportunities presented to Central Hudson for improvement primarily centered on documentation and training. Some of those items are listed below:

- 1) Ensure all training forms are signed
- 2) Contractors need to properly show their Central Hudson identification at all times.
- 3) Clearer documentation showing personnel qualified for different activities.
- 4) A more expansive training practical for transmission stray voltage testing similar to distribution stray voltage testing.

Shock Reports

Associated with the overall safety program is an established reporting procedure of all electric shock incidents. This procedure involves immediate notification to the PSC of all shock incidents. The reporting is facilitated by a standard format and all reports are kept on file at Central Hudson.

In 2007 there were a total of 20 known shock incidents reported. Four injuries occurred and remedial action was implemented as required. Below is a table of all of the shock reports received.

All Reported Calls Related to Electrical Shocks for 2007

Date	Location of shock	Injury	Findings/Mitigation
01/22/2007	Bathtub	None	This was unsubstantiated.
02/20/2007	Cable TV Service Entrance	None	Loose neutral wire discovered in meter pan.
03/13/2007	Breaker Panel and Faucet	None	Bad customer owned entrance cable and panel box. Customer was to get in contact with an electrician.
03/26/2007	Lamp	Mild	Shock was obtained while fighting a fire at this residence. Nothing found after fire.
03/29/2007	Downed wires and customer owned pole	Electrical Burns	Contractor was excavating too close to pole and pulled down the wires and pole. Contractor injured while attempting to move live secondary by hand.
04/18/2007	Central Hudson Gas Line	Minor	Contractor was working in a wet environment without proper protective equipment at time of shock.
05/07/2007	Shower	None	This was unsubstantiated.
05/29/2007	Pool	None	Initial Reading of 1.5 V. Was fixed with a neutral isolator.
06/26/2007	Pool	None	Initial Reading of 2.2 V. Was fixed with a neutral isolator.
07/26/2007	Breaker Box	None	Customer owned meter pan had been pulled away from the house. Customer was advised of repair required.
08/01/2007	Pole	None	This was unsubstantiated.
08/27/2007	Sink	None	Corroded neutral connections were found and cleaned.
08/30/2007	Pool	None	Initial Reading of 2.5 V. Problem found in customer junction box that fed pool lights. Customer advised to get an electrician to re-wire the lights.
09/06/2007	Dump truck bucket into 69 kV transmission line	Serious	Sub-contractor extended dump truck into customer-owned transmission line. Central Hudson repaired damaged line at customer request.
09/10/2007	Pool	None	This was unsubstantiated.
09/26/2007	Open Wire Secondary	None	Protective sleeves installed on electric service.
10/04/2007	Weather Head	None	This was unsubstantiated.
10/09/2007	Shower	None	This was unsubstantiated.
11/26/2007	Bath Tub	None	This was unsubstantiated.
12/12/2007	Service Entrance Cable	None	Made safe by Central Hudson.

These incidents can be broken down into several categories. The categories and frequency of the shock incidents are listed below.

- 3 – Service Entrance Cables
- 7 – Unsubstantiated
- 2 – Indoor Plumbing Items
- 1 – Household Equipment
- 3 – Contractor Negligence
- 2 – Breaker Panel
- 3 – Pools

Three of the shock incidents reported had any voltage reading recorded. These incidents were all less than 4.5 Volts and involved swimming pools. Two of these swimming pool voltage readings were corrected with the installation of neutral isolators. The third and last of the pools with stray voltage was found to have a poorly connected customer junction box to pool lights. This customer was advised to get an electrician to re-wire the pool lights.

Research and Development

Central Hudson continues to participate in the NYS Residential Stray Voltage Committee Activities, and through its EPRI and CEA 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 Stray Voltage Testing and Facility Inspection.

Appendix 1: Stray Voltage Testing Summary - Annual Report

Central Hudson	Total System Units Requiring Testing	Units Completed	Percent Completed	Units with Voltage Found (>= 4.5v)	Percent of Units Tested with Voltage (>= 4.5v)	Units with Voltage Found (>= 1.0v)	Percent of Units Tested with Voltage (>= 1.0v)	Units Classified as Inaccessible
Final Testing Summary								
Distribution Facilities	205,870	205,870	100.00%	6	0.003%	629	0.306%	1,644
Monthly Update		0	0.00%	0	0.000%	0	0.000%	0
Underground Facilities	13,728	13,728	100.00%	0	0.000%	8	0.058%	105
Non-URD	1,220	1,220	100.00%	0	0.000%	0	0.000%	10
Monthly Update		0	0.00%	0	0.000%	0	0.000%	0
Street Lights / Traffic Signals	6,274	6,274	100.00%	4	0.064%	5	0.080%	37
Monthly Update		0	0.00%	0	0.000%	0	0.000%	0
Substation Fences	107	107	100.00%	0	0.000%	0	0.000%	0
Monthly Update		0	0.00%	0	0.000%	0	0.000%	0
Transmission	8,594	8,594	100.00%	3	0.035%	345	4.014%	206
Monthly Update		0	0.00%	0	0.000%	0	0.000%	0
23-69kV	3,818	3,818	100.00%	0	0.000%	71	1.860%	59
70-138kV	3,737	3,737	100.00%	3	0.080%	271	7.252%	81
139-500kV	1,039	1,039	100.00%	0	0.000%	0	0.000%	66
TOTAL	234,573	234,573	100.00%	13	0.006%	987	0.421%	1,992
Monthly Update		0	0.00%	0	0.000%	0	0.000%	0

Data Collected through November 30, 2007

Facilities "Not Found" in the field during the first and/or second testing cycles have been deleted from the System Totals. This reflects a verification and adjustment of data included in previous reports

As part of the new procedure to handle inaccessibles, they will require a second field visit and a digital photo to verify the structure is inaccessible. To report a current count of inaccessibles, the unverified number is now shown. This number will fluctuate as inaccessibles are verified or tested as required.

Definition of Inaccessible:

Facility is within a secured area and safe from the public, such as "fenced" in areas, is in the middle of swamps or lakes, or is on a rock ledge, embankment or gully where it places the individual who is performing the test in harms way.

Additional Notes:

Transmission includes 69kv and above.
Central Hudson mitigates stray voltage conditions of 4.5 volts and above.

Central Hudson	# of units between 1.0v and 4.4v	# of units between 4.5v and 7.9v	# of units between 8.0v - 24.9v	# of units between 25.0v - 99.9v	# of units greater than 100.0v	Total
Summary of Voltage Found						
Distribution Facilities	623	4	2	-	-	629
Pole	-	-	-	-	-	-
Ground	250	3	1	-	-	254
Guy	337	-	-	-	-	337
Riser	8	1	-	-	-	9
Other	28	-	1	-	-	29
Underground Facilities	8	-	-	-	-	8
Handhole / Pull box	-	-	-	-	-	-
Manhole	-	-	-	-	-	-
Padmount Switchgear	4	-	-	-	-	4
Padmount Transformer	-	-	-	-	-	-
Vault – Cover/Door	-	-	-	-	-	-
Pedestal	-	-	-	-	-	-
Other	4	-	-	-	-	4
Street Lights / Traffic Signals	1	-	2	2	-	5
Metal Street Light Pole	1	-	2	2	-	5
Traffic Signal Pole	-	-	-	-	-	-
Control Box	-	-	-	-	-	-
Pedestrian Crossing Pole	-	-	-	-	-	-
Other - NOT LISTED	-	-	-	-	-	-
Substation Fences	-	-	-	-	-	-
Fence	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transmission (Total)	342	1	2	-	-	345
Transmission - (23-69kV) - 69kV	71	-	-	-	-	71
Lattice Tower	-	-	-	-	-	-
Pole	-	-	-	-	-	-
Ground	66	-	-	-	-	66
Guy	3	-	-	-	-	3
Other	2	-	-	-	-	2
Transmission - (70-138kV) - 115 kV	271	1	2	-	-	274
Lattice Tower	-	-	-	-	-	-
Pole	-	-	-	-	-	-
Ground	210	1	2	-	-	213
Guy	55	-	-	-	-	55
Other	6	-	-	-	-	6
Transmission - (139-500kV) - 345 kV	-	-	-	-	-	-
Lattice Tower	-	-	-	-	-	-
Pole	-	-	-	-	-	-
Ground	-	-	-	-	-	-
Guy	-	-	-	-	-	-
Other	-	-	-	-	-	-

Central Hudson	Units with Voltage Found >=4.5 Volts	Units Permanently Repaired by Utility	Units Scheduled for Repair by Utility	Units Referred to Others for Permanent Repair	Comments
Mitigation Efforts					
Distribution Facilities	6	5 X X X X	0	1 X	N46761: Damaged customer owned riser cable. Repaired in Field P46079: Broken Ground repaired by Service Workers N17667: Loose Ground repaired by Service Workers K45110: Down ground voltage eliminated. K32740: Down Ground repaired by Central Hudson 103916: Customer Outlet attached to pole. Was removed by customer.
Underground Facilities	0	0	0	0	None
Street Lights / Traffic Signals	4	3 X X X	0	1 X	C513203073: Electric bug fixed by Central Hudson. C513003548: Connections repaired in the pole. C513003136: Moved neutral wire off pole. C513003381: Pulled fuses and city made repair.
Substation Fences	0	0	0	0	None
Transmission	3	3 X X X	0	0	None NF Line: 55671: New ground wire and ground moulding installed around down ground NF Line: 55671: New ground wire and ground moulding installed around down ground NF Line: 55671: New ground wire and ground moulding installed around down ground